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IRAN-CONTRA INVESTIGATION

JOINT HEARINGS

BEFORE THE

SENATE SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION

AND THE

HOUSE SELECT COMMITTEE TO INVESTIGATE COVERT ARMS TRANSACTIONS WITH IRAN

ONE HUNDREDTH CONGRESS

FIRST SESSION

100–7

Part III

JULY 7, 8, 9, 10, 13, AND 14, 1987

APPENDIXES TO PARTS I AND II

Printed for the use of the Select Committees on the Iran-Contra Investigation

U.S. GOVERNMENT PRINTING OFFICE
82-681 WASHINGTON : 1988

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, DC 20402

S961-7
H961-38

SENATE SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION

HOUSE SELECT COMMITTEE TO INVESTIGATE COVERT ARMS TRANSACTIONS WITH IRAN

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Oliver L. North 1636

APPENDIX A: EXHIBITS

EXHIBIT OLN-1

~~TOP SECRET~~

~~TOP SECRET~~ ~~SENSITIVE~~

LASSIFIED

RELEASE OF AMERICAN HOSTAGES IN BEIRUT N 590

Background. In June 1985, private American and Israeli citizens commenced an operation to effect the release of the American hostages in Beirut in exchange for providing certain factions in Iran with U.S.-origin Israeli military materiel. By September, U.S. and Israeli Government officials became involved in this endeavor in order to ensure that the USG would:

-- not object to the Israeli transfer of embargoed materiel to Iran;

-- sell replacement items to Israel as replenishment for like items sold to Iran by Israel.

On September ~~14~~ 3, the Israeli Government, with the endorsement of the USG, transferred 508 basic TOW missiles to Iran. Forty-eight hours later, Reverend Benjamin Weir was released in Beirut.

Subsequent efforts by both governments to continue this process have met with frustration due to the need to communicate our intentions through an Iranian expatriate arms dealer in Europe. In January 1986, under the provisions of a new Covert Action Finding, the USG demanded a meeting with responsible Iranian government officials.

On February 20, a U.S. Government official met with [redacted] the first direct U.S.-Iranian contact in over five years. At this meeting, the U.S. side made an effort to refocus Iranian attention on the threat posed by the Soviet Union and the need to establish a longer term relationship between our two countries based on more than arms transactions. It was emphasized that the hostage issue was a "hurdle" which must be crossed before this improved relationship could prosper. During the meeting, it also became apparent that our conditions/demands had not been accurately transmitted to the Iranian Government by the intermediary and it was agreed that:

-- The USG would establish its good faith and bona fides by immediately providing 1,000 TOW missiles for sale to Iran. This transaction was covertly completed on February 21, using a private U.S. firm and the Israelis as intermediaries.

-- A subsequent meeting would be held in Iran with senior U.S and Iranian officials during which the U.S. hostages would be released.

-- Immediately after the hostages were safely in our hands, the U.S. would sell an additional 3,000 TOW missiles to Iran using the same procedures employed during the September 1985 transfer.

~~TOP SECRET~~
Declassify: OADR

~~TOP SECRET~~ [redacted] SENSITIVE

UNCLASSIFIED

In early March, the Iranian expatriate intermediary demanded that Iranian conditions for release of the hostages now included the prior sale of 200 PHOENIX missiles and an unspecified number of HARPOON missiles, in addition to the 3,000 TOWs which would be delivered after the hostages were released. A subsequent meeting was held with the intermediary in Paris on March 8, wherein it was explained that the requirement for prior deliveries violated the understandings reached in Frankfurt on February 20, and were therefore unacceptable. It was further noted that the Iranian aircraft and ship launchers for these missiles were in such disrepair that the missiles could not be launched even if provided.

[redacted] From March 9 until March 30, there was no further effort undertaken on our behalf to contact the Iranian Government or the intermediary. On March 26, [redacted] made an unsolicited call to the phone-drop in Maryland which we had established for this purpose. [redacted] asked why we had not been in contact and urged that we proceed expeditiously since the situation in Beirut was deteriorating rapidly. He was informed by our Farsi-speaking interpreter that the conditions requiring additional materiel beyond the 3,000 TOWs were unacceptable and that we could in no case provide anything else prior to the release of our hostages. [redacted] observed that we were correct in our assessment of their inability to use PHOENIX and HARPOON missiles and that the most urgent requirement that Iran had was to place their current HAWK missile inventory in working condition. In a subsequent phone call, we agreed to discuss this matter with him and he indicated that he would prepare an inventory of parts required to make their HAWK systems operational. The parts list was received on March 28, and verified by CIA.

Current Situation. On April 3, Ari Gorbanifahr, the Iranian intermediary, arrived in Washington, D.C. with instructions from [redacted] to consummate final arrangements for the return of the hostages. Gorbanifahr was reportedly enfranchised to negotiate the types, quantities, and delivery procedures for materiel the U.S. would sell [illegible] Israel. [illegible] lasted nearly all night [illegible] involv[illegible] numerous calls to Tehran. [redacted] A Farsi-speaking CIA officer in attendance was able to verify the substance of his calls to Tehran during the meeting. Subject to Presidential approval, it was agreed to proceed as follows:

-- By Monday, April 7, the Iranian Government will transfer $17 million to an Israeli account in Switzerland. The Israelis will, in turn, transfer to a private U.S. corporation account in Switzerland the sum of $15 million.

-- On Tuesday, April 8 (or as soon as the transactions are verified), the private U.S. corporation will transfer $3.651 million to a CIA account in Switzerland. CIA will then transfer this sum to a covert Department of the Army account in the U.S.

-- On Wednesday, April 9, the CIA will commence procuring $3.651 million worth of HAWK missile parts (240 separate line items) and transferring these parts to [redacted] This process is estimated to take seven working days.

-- On Friday, April 18, a private U.S. aircraft (707B) will pick-up the HAWK missile parts at [redacted] and fly them to a covert Israeli airfield for prepositioning (this field was used for the earlier delivery of the 1000 TOWs). At this field, the parts will be transferred to an Israeli Defense Forces' (IDF) aircraft with false markings. A SATCOM capability will be positioned at this location.

-- On Saturday, April 19, McFarlane, North, Teicher, Cave, [redacted] and a SATCOM communicator will board a CIA aircraft in Frankfurt, Germany, enroute to Tehran. [redacted]

-- On Sunday, April 20, the following series of events will occur:

- U.S. party arrives Tehran (A-hour) -- met by Rafsanjani, as head of the Iranian delegation.
- At A+7 hours, the U.S. hostages will be released in Beirut.
- At A+15 hours, the IDF aircraft with the HAWK missile parts aboard will land at Bandar Abbas, Iran.

Discussion. The following points are relevant to this transaction, the discussions in Iran, and the establishment of a broader relationship between the United States and Iran:

-- The Iranians have been told that our presence in Iran is a "holy commitment" on the part of the USG that we are sincere and can be trusted. There is great distrust of the U.S. among the various Iranian parties involved. Without our presence on the ground in Iran, they will not believe that we will fulfill our end of the bargain after the hostages are released.

-- [redacted] Gorbanifahr specifically mentioned that Qhadhafi's efforts to "buy" the hostages could succeed in the near future. Further, the Iranians are well aware that the situation in Beirut is deteriorating rapidly and that the ability of the IRGC to effect the release of the hostages will become increasingly more difficult over time.

-- We have convinced the Iranians of a significant near term and long range threat from the Soviet Union. We have real and deceptive intelligence to demonstrate this threat during the visit. They have expressed considerable interest in this matter as part of the longer term relationship.

-- [redacted]

-- The Iranians have been told that their provision of assistance to Nicaragua is unacceptable to us and they have agreed to discuss this matter in Tehran.

-- We have further indicated to the Iranians that we wish to discuss steps leading to a cessation of hostilities between Iran and Iraq. [redacted]

-- The Iranians are well aware that their most immediate needs are for technical assistance in maintaining their air force and navy. We should expect that they will raise this issue during the discussions in Tehran. Further conversation with Gorbanifahr on April 4, indicates that they will want to raise the matter of the original 3,000 TOWs as a significant deterrent to a potential Soviet move against Iran. They have also suggested that, if agreement is reached to provide the TOWs, [redacted]

-- The Iranians have been told and agreed that they will receive neither blame nor credit for the seizure/release of the hostages. [redacted]

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-- The residual funds from this transaction are allocated as follows:

  - $2 million will be used to purchase replacement TOWs for the original 508 sold by Israel to Iran for the release of Benjamin Weir. This is the only way that we have found to meet our commitment to replenish these stocks.

  - $12 million will be used to purchase critically needed supplies for the Nicaraguan Democratic Resistance Forces. This materiel is essential to cover shortages in resistance inventories resulting from their current offensives and Sandinista counter-attacks and to "bridge" the period between now and when Congressionally-approved lethal assistance (beyond the $25 million in "defensive" arms) can be delivered.

The ultimate objective in the trip to Tehran is to commence the process of improving U.S.-Iranian relations. Both sides are aware that the Iran-Iraq War is a major factor that must be discussed. We should not, however, view this meeting as a session which will result in immediate Iranian agreement to proceed with a settlement with Iraq. Rather, this meeting, the first high-level U.S.-Iranian contact in five years, should be seen as a chance to move in this direction. These discussions, as well as follow-on talks, should be governed by the Terms of Reference (TOR) (Tab A) with the recognition that this is, hopefully, the first of many meetings and that the hostage issue, once behind us, improves the opportunities for this relationship.

Finally, we should recognize that the Iranians will undoubtedly want to discuss additional arms and commercial transactions as "quids" for accommodating [redacted] Nicaragua, and Iraq. Our emphasis on the Soviet military and subversive threat, a useful mechanism in bringing them to agreement on the hostage issue, has also served to increase their desire for means to protect themselves against/deter the Soviets.

RECOMMENDATION

That the President approve the structure depicted above under "Current Situation" and the Terms of Reference at Tab A.

Approve _____ Disapprove _____

Attachment
Tab A - U.S.-Iranian Terms of Reference

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April 4, 1986

TERMS OF REFERENCE
U.S.-Iran Dialogue

I. BASIC PILLARS OF U.S. FOREIGN POLICY (Optional)

-- President Reagan came into office at a time when Iran had had a certain impact on the American political process -- perhaps not what you intended.

-- The President represented and embodied America's recovery from a period of weakness. He has rebuilt American military and economic strength.

-- Most important, he has restored American will and self-confidence. The U.S. is not afraid to use its power in defense of its interests. We are not intimidated by Soviet pressures, whether on arms control or Angola or Central America or Afghanistan.

-- At the same time, we are prepared to resolve political problems on the basis of reciprocity.

-- We see many international trends -- economic, technological, and political -- working in our favor.

II. U.S. POLICY TOWARD IRAN: BASIC PRINCIPLES

A. U.S. Assessment of Iranian Policy.

- We view the Iranian revolution as a fact. The U.S. is not trying to turn the clock back.

- Our present attitude to Iran is not a product of prejudice or emotion, but a clear-eyed assessment of Iran's present policies.

- Iran has used "revolutionary Islam" as a weapon to undermine pro-Western governments and American [redacted]. As long as this [redacted] strategic adversaries.

- Support of terrorism and hostage-taking is part of this strategic pattern. We see it used not only against us, but against our friends. We cannot accept either. Your influence in achieving the release of all hostages, return of those killed (over time) is essential.

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BEST AVAILABLE COPY

- We see your activity in many parts of the world, including even Central America.

- The U.S. knows how Iran views the Soviet Union. But subversion of Western interests and friends objectively serves Soviet interests on a global scale.

- Thus, our assessment is that a decisive Iranian victory in the war with Iraq would only unleash greater regional instability, a further erosion of the Western position, and enhanced opportunities for Soviet trouble-making.

- The U.S. will therefore do what it can to prevent such a development. We regard the war as dangerous in many respects and would like to see an end to it.

B. Possible Intersections of U.S.-Iranian Interests.

- Despite fundamental conflicts, we perceive several possible intersections of U.S. and Iranian interests. I propose we explore these areas.

- First, the U.S. has had a traditional interest in seeing Iran preserve its territorial integrity and independence. This has not changed. The U.S. opposes Soviet designs on Iran. [redacted]

- Second, we have no interest in an Iraqi victory over Iran. [redacted] We are seeking an end to this conflict and want to use an improved relationship with Iran to further that end.

- Third, we have parallel views on Afghanistan. Soviet policy there is naked aggression, a threat to all in the region. [redacted] But our objective is the same: the Soviets must get out and let the Afghan people choose their own course.

C. U.S. Objective Today.

- We have no illusions about what is possible in our bilateral relations. Perhaps this meeting will reveal only a limited, momentary, tactical coincidence of interests. Perhaps more. We are prepared either way.

- In essence, we are prepared to have whatever kind of relationship with Iran that Iran is prepared to have with us.

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III. SOVIET MILITARY POSTURE

-- Moscow has designs on parts of Iran. [redacted]

-- Afghanistan illustrates the price the Soviets are ready to pay to expand areas under their direct control.

-- Summarize Soviet capabilities along border and inside Afghanistan which could threaten Tehran.

-- U.S. is aware of Soviet activity [redacted]

-- Soviet plan[redacted] how they would do it.

-- Iranian support to Sandinista regime in Nicaragua aids and abets Soviet designs -- makes U.S.-Iranian relationship more difficult ($100 million in oil last year, plus arms).

-- U.S. can help Iran cope with Soviet threat.

IV. AFGHANISTAN

-- May be real value for Iran and U.S. to find ways to cooperate against Moscow in Afghanistan.

-- U.S. can provide humanitarian assistance for refugees, [redacted]

-- We need to know who you work with, what you already provide, and devise strategy to exploit Iranian comparative advantage.

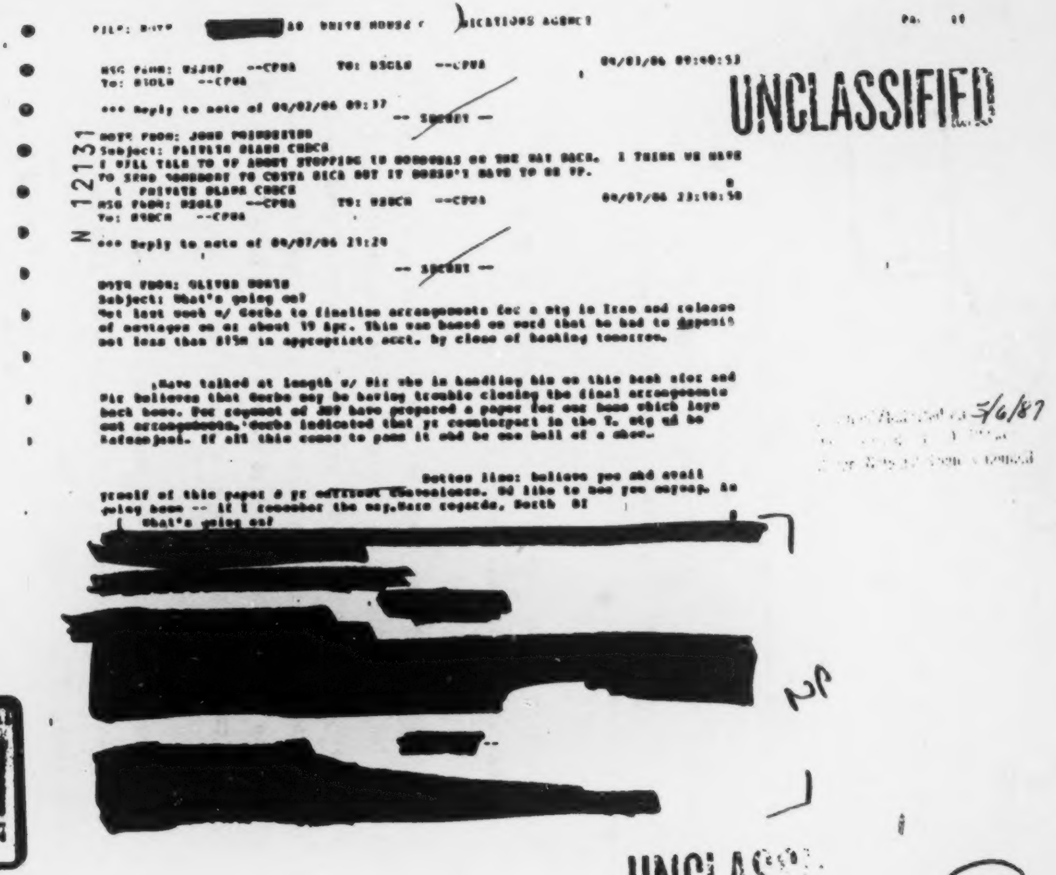
V. HARDWARE

-- We may be prepared to resume a limited military supply relationship.

-- However, its evolution and ultimate scope will depend on whether our convergent or our divergent interests come to loom larger in the overall picture.

-- What does Iran want?

EXHIBIT OLN-2



FILE: DATE [redacted] AD WHITE HOUSE C ICATIONS AGENCY Pa. [illegible]

UNCLASSIFIED

MSG FROM: NSJMP --CPUA TO: NSOLN --CPUA 04/03/86 09:40:53
To: NSOLN --CPUA

*** Reply to note of 04/02/86 09:37

-- ~~SECRET~~ --

NOTE FROM: JOHN POINDEXTER
Subject: PRIVATE BLANK CHECK
I WILL TALK TO VP ABOUT STOPPING IN HONDURAS ON THE WAY BACK. I THINK WE HAVE TO SEND SOMEBODY TO COSTA RICA BUT IT DOESN'T HAVE TO BE VP.
1 PRIVATE BLANK CHECK
MSG FROM: NSOLN --CPUA TO: NSJMP --CPUA 04/07/86 23:10:50
To: NSJMP --CPUA

*** Reply to note of 04/07/86 21:20

-- ~~SECRET~~ --

NOTE FROM: OLIVER NORTH
Subject: What's going on?
Met last week w/ Gorba to finalize arrangements for a mtg in Iran and release of hostages on or about 19 Apr. This was based on word that he had to deposit not less than $15M in appropriate acct. by close of banking tomorrow.

Have talked at length w/ Dick who is handling him on this end also and Dick believes that Gorba may be having trouble closing the final arrangements back home. For support of JMP have prepared a paper for our boss which lays out arrangements. Gorba indicated that yr counterpart in the T. mtg wd be Rafsanjani. If all this comes to pass it shd be one hell of a show.

Bottom line: believe you shd avail yrself of this paper @ yr earliest convenience. Wd like to see you anyway. Am going home -- if I remember the way. Warm regards, North OI

What's going on?

[redacted]

2c

UNCLASSIFIED

5/6/87

N 12131

EXHIBIT OLN-2

424

EXHIBIT OLN-3

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#16

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EXHIBIT
OLN-3

Copp: 4/21/86 1635

212045Z Apr 86.

1. I talked to Adam this a.m. He quite pessimistic re Gorba/ cabal. He know time is nearly over. I agreed to transfer 185K to his acct Tuesday to satisfy IAF bill -- there is still the matter of about 25K in cash to be resolved. IAF total bill is 250K -- a real rip off.

2. Standing by for info on ship procurement, go or no go. I have Tom in the linemans crouch.

3. Current obligations over next few weeks nearly wipe us out except for CD. Big ticket items are 822K plus 185K to Adam, D. Walker 110K, 57K to Sat for drop to Blacky, 200K insurance fund, O and M 600K, 100K to defex-balance of 9 Apr 707 shipment. Bottomline is that ship buy plus BP buy can be accomplished only by using CD funds. Ship costs of course can be recovered.

4. Now that we have Euc, much more confident and says we should get pricing tomorrow. If you find work, send money. Rgds, Dick. BT

Partially Declassified/Released on 4 May 87
under provisions of E.O. 12356
by B. Reger, National Security Council

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SECRET

EXHIBIT OLN-4

UNCLASSIFIED

MSG FROM: NSOLN --CPUA TO: NSRCM --CPUA 04/21/86 20:55:39
To: NSJMP --CPUA

N 12136

*** Reply to note of 04/20/86 15:07

-- ~~SECRET~~ --

NOTE FROM: OLIVER NORTH
Subject: Any gouge?
Have sent a long PROFS to JMP re the current state of affairs. If you do not have it in the morning pls so advise and I will repeat to you if that can be done w/o the whole world seeing it. Bottom line: earliest we could make trip, if all went well tomorrow is 30 April. This date will slip a day for each day of delay in making the requisite deposit for the items requested. I am not as hopeful in wake of Libyan action. Cave believes that there is a significant internal debate going on inside on what they should do and we are all concerned that there may be a chance that could help the [redacted] get their hands on the other hostages. Not a good day.

Also not a good weekend. Went to CentAm to try and reassure our friends — both govts. and resistance that we WOULD get funding thru the Congress. In the four years I have been working this effort, it was the most depressing session to date. There is great dispair that we may fail in this effort and the resistance support acct. is darned near broke. Any thoughts where we can put our hands on a quick $3-5M? Gaston is going back to his friends who have given $2M so far in hopes that we can bridge things again, but time is running out along w/ the money. So far we have seven a/c working, have delivered over $17M in supplies and ordnance but the pot is almost empty. Have told Dick to

prepare to sell the ship first and then the a/c as a means of sustaining the effort. Where we go after that is a very big question. How about Bush? As you know I have never asked him for help in this regard, believing that he wd be inclined to talk about it. It may now be time to take that tack. Any thoughts? Warm regards & our love to Jonny. (No matterthat it was in the STYLE section - it was a right fine photo) Keep the faith, North
Any gouge?

N126

[redacted]

37 N12137

5/6/87

[illegible]

EXHIBIT
OLN-4

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(432)

EXHIBIT OLN-5

UNCLASSIFIED

EXHIBIT
OLN-5

MSG FROM: NSOLN --CPUA TO: NSFH --CPUA 04/22/86 14:[illegible]
To: NSFH --CPUA

-- ~~SECRET~~ --
NOTE FROM: OLIVER NORTH
Subject: Special Mtg: Central America
Pls print asap.
*** Forwarding note from NSOLN --CPUA 04/21/86 16:03 ***
To: NSWGH --CPUA

*** Reply to note of 04/21/86 12:57

-- ~~SECRET~~ --
NOTE FROM: OLIVER NORTH
Subject: Special Mtg: Central America

Will, please pass to Don: This weekend's trip to Honduras and El Salvador [illegible] the most depressing venture in my four years of working the CentAm issue. [illegible] is gread anxiety that the Congress will not act in time to stave off defeat for the resistance. This sense exists in the Govts. of Honduras [illegible] Salvador but most alarmingly is now evident in the resistance itself. [illegible] of a viable source of resupply has not only affected combat operations [illegible] now beginning to affect the political viability of the UNO leadership. Bermudez, in front of the Southern Front commander, El Negro Chamorro questioned the need for UNO and the drain of scarce resources to [illegible] Atlantic and Southern fronts. While he committed to send in [illegible] the next few days, he openly admitted in front of [redacted] that [illegible] to come back out in 15-20 days if there is no resupply. As known, [illegible] pressing need is for anti-air, but other things are now running short. The entire force is back to 1 meal per day and no more boots, uniforms, [illegible] ponchos or weapons are available for the new recruits. All new trainees [illegible] be turned away effective today. All hospitalization for WIAs will cease [illegible] end of the week. Troops returning to Nicaragua this week will carry [illegible] rounds of ammo instead of the 500 they had been carrying. No new radio batteries are available so there is no way to pass commands or intelligence.

The picture is, in short, very dismal unless a new source of "bridge" funding can be identified. While we should not raise specific sources with Fred [illegible] we need to explore this problem urgently or there won't be a force to help when the Congress finally acts. Warm regards, North

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Exhibit OLN-6

UNCLASSIFIED

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Copp: [illegible] 1140

131610Z May 86. Abe notified me at 0945L that even though the various banks had exchanged tested telexes on the 10M transfer, the originating bank is not releasing the funds. Adam and I are working the problem. This prevents me from transferring the 6.5M to CIA as agreed yesterday. Will keep you advised. Dick. BT

23 May

[illegible] 12356

By B. [illegible] National Security Council

(951)

N848

EXHIBIT
OLN-6

~~SECRET~~

UNCLASSIFIED

EXHIBIT OLN-7

SECRET UNCLASSIFIED

Copp: 5/13/86 1215

131700Z May 86.

1. Further to my 131610Z May, Abe has cut through most of the problem and has discussed matter with the Director of Credit Suisse himself. Directors says he has the funds, but the remitter has run the funds through so many filters that the paper work is fouled up. Apparently, the remitter has failed to provide a necessary power of attorney and the remitter is in Vancouver of all places. Telexes to resolve the matter are flying and the Director believes the matter may be resolved tomorrow morning. Meanwhile, there is no sign of teh 5M and no sign of the 1.25M. Adam is advised but Gorba has gone to ground again thus signaling a problem. I now do not think it wise to transfer the 6.5M until we see the remaining 5M. Dick. BT

Partially Declassified/Released on 23 May 87
under provisions of E.O. 12356
by B. Reger, National Security Council

950

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EXHIBIT
OLN-7

21

Exhibit OLN-8

SYSTEM II
90369
N 3872

THE WHITE HOUSE
WASHINGTON

NOTED

SECRET May 15, 1986

MEETING WITH THE NATIONAL SECURITY PLANNING GROUP (NSPG)

DATE: Friday, May 16, 1986
LOCATION: White House Situation Room
TIME: 11:00 a.m. - 12:00 noon

FROM: JOHN M. POINDEXTER

I. PURPOSE

To resolve issues on aid to the Nicaraguan Democratic Resistance Forces (DRF) and our current posture in the Contadora process.

II. BACKGROUND

The delay in Congressional action on your aid proposal for the DRF, coupled with the ongoing Contadora discussions, are creating expectations and anxieties in the U.S. and in Central America. The resistance itself is increasingly desperate as available supplies are depleted. As of May 1, no further medical supplies or clothing are available. By mid-June the outside support the resistance has received will have been consumed, and no further significant support appears readily available.

As time goes on without any USG or outside assistance, the capabilities and morale of the resistance will be seriously debilitated. Despite our assurances to the Central American democracies, we still do not have a clear legislative path that will assure a positive vote in the next few weeks. This factor is also influencing Central American thinking on the Contadora accord.

Contadora negotiations are scheduled to resume in Panama on Friday, May 16. [redacted] The Sandinistas will likely proclaim that they are prepared to sign another version of the treaty, containing proposals which our friends have rejected. We will then find ourselves engaged in a propaganda contest in which each side will claim the other is intransigent. Our objective should be to support our friends' position as a positive and constructive Central American effort to deal with the region's problems, while denouncing the Sandinistas for refusing to negotiate.

cc Vice President
Don Regan

EXHIBIT
OLN-8

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1032

N15 12/3

Partially Declassified/Released on 28MAY87
under [illegible]

[redacted] This continues to be a volatile political issue which has created considerable speculation that a treaty is about to be signed by the Central Americans which would "sell out" the DRF. This NSPG meeting is an opportunity for you to clarify the facts and restate our position on Contadora:

-- The USG will support a verifiable and enforceable treaty which ensures that all the Contadora 21 Points are addressed.

-- That this country cannot and will not be a party to any agreement which does not assure that implementation of these 21 Points can be fully verified.

-- [redacted]

A consistent Administration position on Contadora, as indicated above, will be helpful in Central America and with the Congress. Our legislative experts advise that the only realistic vehicle for aid to the DRF is the Military Construction Bill which is pending Committee action in the House. We have indications that, while Speaker O'Neill will accept DRF aid amendments to this bill during the week of June 9, he has no intention of allowing it to pass. Even if such a vehicle passes in the House, we stand a good chance of filibuster in the Senate and the likelihood that no aid would be available until August or September 1986.

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III. **PARTICIPANTS**: See clearance list at Tab B.

IV. **PRESS PLAN**: None.

V. **SEQUENCE OF EVENTS**: See agenda Tab A.

Prepared by:
Oliver North
Ray Burghardt

Attachments
Tab A - Agenda
Tab B - List of Participants

UNCLASSIFIED

THE WHITE HOUSE
WASHINGTON

SYSTEM II
90369

N 3875

SECRET

MEETING WITH THE NATIONAL SECURITY PLANNING GROUP (NSPG)

Friday, May 16, 1986
White House Situation Room
11:00 a.m. - 12:00 noon

I.	INTRODUCTION.	.John Poindexter (2 minutes)
II.	INTELLIGENCE BRIEFING	.Director Casey (5 minutes)
III.	CONTADORA SUMMARY	.Secretary Shultz (10 minutes)
IV.	RESISTANCE FUNDING OPTIONS.	.John Poindexter (10 minutes)
V.	DISCUSSION.	.All (30 minutes)
VI.	SUMMARY	.John Poindexter (3 minutes)

SECRET
Declassify: OADR

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VP Office

Mr. Don Gregg

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Secretary George Shultz
Assistant Secretary Elliott Abrams

Defense

Secretary Caspar Weinberger
Under Secretary Fred Ikle

CIA

Director William Casey
[redacted]

JCS

Admiral William Crowe
LTGEN John Moellering

White House

Mr. Donald Regan
Mr. William Ball
ADM John Poindexter

NSC

LTCOL Oliver North
Mr. Raymond Burghardt

[illegible]

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THE WHITE HOUSE

WASHINGTON

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90369

N 3877

SECRET

MEETING WITH THE NATIONAL SECURITY PLANNING GROUP (NSPG)

Friday, May 16, 1986
White House Situation Room
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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

SYSTEM II
90369
Follow-on

May 14, 1986

N 3878

R JOHN M. POINDEXTER

OLIVER L. NORTH
RAYMOND F. BURGHARDT

National Security Planning Group (NSPG) Meeting

b I is a memo from you to the President forwarding
ing the NSPG meeting scheduled for Friday, May 16,
in the WHSR on aid to the Nicaraguan Democratic
rces (DRF) and the current situation in the
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t Tab B.

al and forward the memo to the President at Tab I.

rove ____ Disapprove ____

Poindexter Memo to the President
Tab A - Agenda
Tab B - List of Participants

OADR

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Exhibit OLN-9

SECRET

THE WHITE HOUSE
WASHINGTON

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N 3872

NOTED

SECRET May 15, 1986

MEETING WITH THE NATIONAL SECURITY PLANNING GROUP (NSPG)

DATE: Friday, May 16, 1986
LOCATION: White House Situation Room
TIME: 11:00 a.m. - 12:00 noon

FROM: JOHN M. POINDEXTER

EXHIBIT
OLN-9

I. PURPOSE

To resolve issues on aid to the Nicaraguan Democratic Resistance Forces (DRF) and our current posture in the Contadora process.

II. BACKGROUND

The delay in Congressional action on your aid proposal for the DRF, coupled with the ongoing Contadora discussions, are creating expectations and anxieties in the U.S. and in Central America. The resistance itself is increasingly desperate as available supplies are depleted. As of May 1, no further medical supplies or clothing are available. By mid-June the outside support the resistance has received will have been consumed, and no further significant support appears readily available.

As time goes on without any USG or outside assistance, the capabilities and morale of the resistance will be seriously debilitated. Despite our assurances to the Central American democracies, we still do not have a clear legislative path that will assure a positive vote in the next few weeks. This factor is also influencing Central American thinking on the Contadora accord.

Contadora negotiations are scheduled to resume in Panama on Friday, May 16. [redacted] The Sandinistas will likely proclaim that they are prepared to sign another version of the treaty, containing proposals which our friends have rejected. We will then find ourselves engaged in a propaganda contest in which each side will claim the other is intransigent. Our objective should be to support our friends' position as a positive and constructive Central American effort to deal with the region's problems, while denouncing the Sandinistas for refusing to negotiate.

cc Vice President
Don Regan

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Declassify: OADR

UNCLASSIFIED
SECRET

N1541
12/31

1032

Partially Declassified/Released on 28MAY87
under provisions of E.O. 12356
by D. Regan, National Security Council

[redacted] This continues to be a volatile political issue which has created considerable speculation that a treaty is about to be signed by the Central Americans which would "sell out" the DRF. This NSPG meeting is an opportunity for you to clarify the facts and restate our position on Contadora:

-- The USG will support a verifiable and enforceable treaty which ensures that all the Contadora 21 Points are addressed.

-- That this country cannot and will not be a party to any agreement which does not assure that implementation of these 21 Points can be fully verified.

-- [redacted]

✓

A consistent Administration position on Contadora, as indicated above, will be helpful in Central America and with the Congress. Our legislative experts advise that the only realistic vehicle for aid to the DRF is the Military Construction Bill which is pending Committee action in the House. We have indications that, while Speaker O'Neill will accept DRF aid amendments to this bill during the week of June 9, he has no intention of allowing it to pass. Even if such a vehicle passes in the House, we stand a good chance of filibuster in the Senate and the likelihood that no aid would be available until August or September 1986.

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III. **PARTICIPANTS**: See clearance list at Tab B.

IV. **PRESS PLAN**: None.

V. **SEQUENCE OF EVENTS**: See agenda Tab A.

Prepared by:
Oliver North
Ray Burghardt

Attachments
Tab A - Agenda
Tab B - List of Participants

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THE WHITE HOUSE

WASHINGTON

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N 3875

SECRET

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White House Situation Room
11:00 a.m. - 12:00 noon

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SECRET
Declassify: OADR

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UNCLASSIFIED

N 3876

MEETING WITH THE NATIONAL SECURITY PLANNING GROUP (NSPG)

Friday, May 16, 1986
White House Situation Room
11:00 a.m. - 12:00 noon

VP Office

Mr. Don Gregg

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Secretary George Shultz
Assistant Secretary Elliott Abrams

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[redacted]

JCS

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White House

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ADM John Poindexter

NSC

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UNCLASSIFIED

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THE WHITE HOUSE

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SECRET
Declassify: OADR

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

SYSTEM II
90369
Follow-on

May 14, 1986

N 3878

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RAYMOND F. BURGHARDT

National Security Planning Group (NSPG) Meeting

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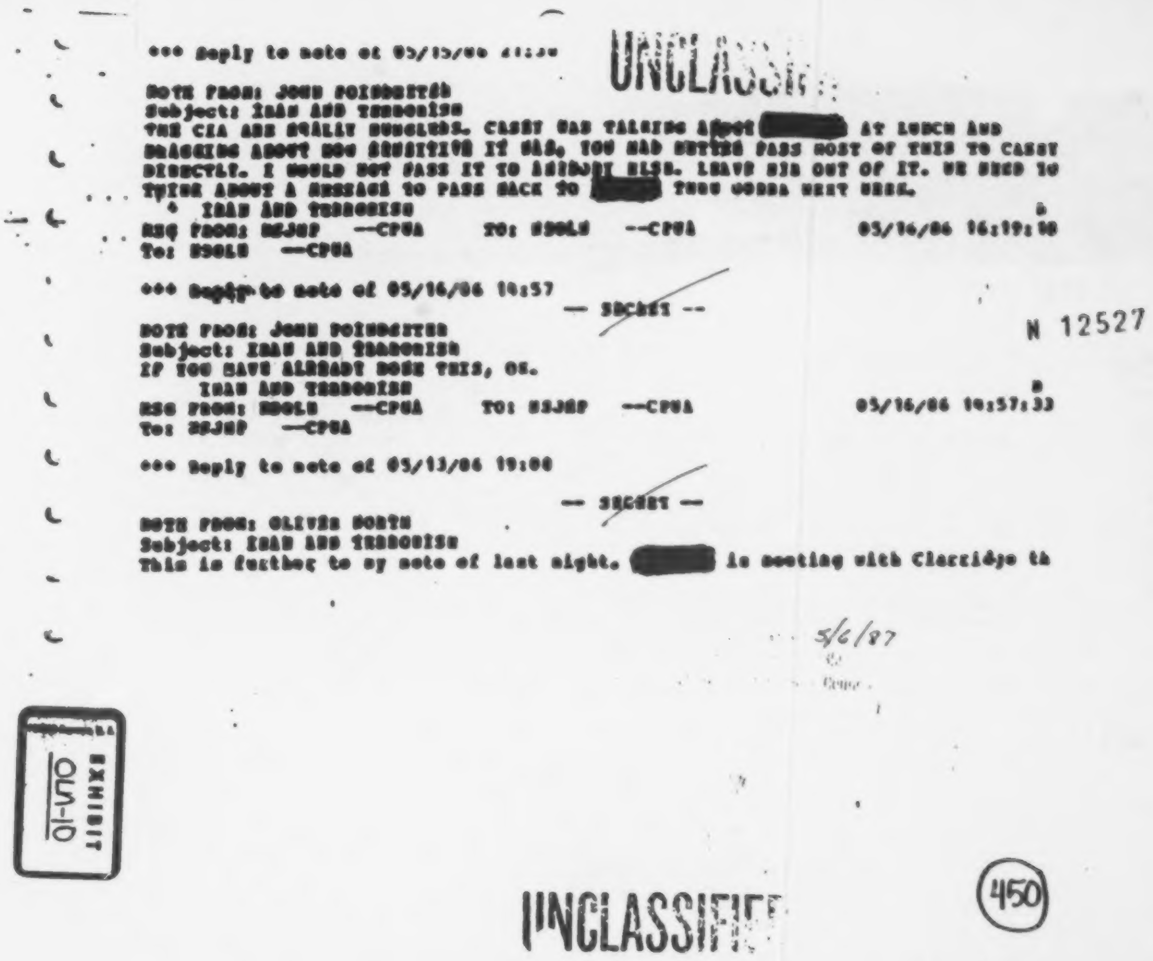
rove ✓ ____ Disapprove _____

Poindexter Memo to the President
Tab A - Agenda
Tab B - List of Participants

ADR SECRET UNCLASSIFIED

EXHIBIT OLN-10



UNCLASSIFIED

*** Reply to note of 05/15/86 21:30

NOTE FROM: JOHN POINDEXTER
Subject: IRAN AND TERRORISM
THE CIA ARE REALLY BUNGLERS. CASEY WAS TALKING ABOUT [redacted] AT LUNCH AND BRAGGING ABOUT HOW SENSITIVE IT WAS. YOU HAD BETTER PASS MOST OF THIS TO CASEY DIRECTLY. I WOULD NOT PASS IT TO ANYBODY ELSE. LEAVE HIM OUT OF IT. WE NEED TO THINK ABOUT A MESSAGE TO PASS BACK TO [redacted] THRU GORBA NEXT WEEK.
IRAN AND TERRORISM
RNG FROM: NSJMP --CPUA TO: NSOLN --CPUA 05/16/86 16:19:10
To: NSOLN --CPUA

*** Reply to note of 05/16/86 10:57

— ~~SECRET~~ --

N 12527

NOTE FROM: JOHN POINDEXTER
Subject: IRAN AND TERRORISM
IF YOU HAVE ALREADY DONE THIS, OK.
IRAN AND TERRORISM
RNG FROM: NSOLN --CPUA TO: NSJMP --CPUA 05/16/86 10:57:33
To: NSJMP --CPUA

*** Reply to note of 05/13/86 19:00

— ~~SECRET~~ —

NOTE FROM: OLIVER NORTH
Subject: IRAN AND TERRORISM
This is further to my note of last night. [redacted] is meeting with Clarridge th

5/6/87

EXHIBIT
OLN-10

UNCLASSIFIED

450

* Reply to note of 05/16/86 16:19 [redacted] UNCLASSIFIED

NOTE FROM: OLIVER NORTH
Subject: IRAN AND TERRORISM
I passed the info, w/o mentioning Nir to both Clarridge and Casey. Clarridge believes that there may indeed be something to the offer as
[redacted]

Will work w/ Dewey on a meeting plan which we may wish to carry out after we complete the hostage arrangements.

N 12528

You should be aware that the resistance support organization now has more than $6M available for immediate disbursement. This reduces the need to go to third countries for help. It does not, however, reduce the urgent need to get CIA back into the management of this program. We can only do this by going forward with the reprogramming proposal and getting the requisite authorities for CIA involvement. Unless we do this, we will run increasing risks of trying to manage this program from here with the attendant physical and political liabilities. I am not complaining, and you know that I love the work, but we have to lift some of this onto the CIA so that I can get more than 2-3 hrs of sleep at night. The more money there is (and we will have a considerable amount in a few more days) the more visible the program becomes (airplanes, pilots, weapons, deliveries, etc.) and the more inquisitive will become people like Kerry, Barnes, Harkins, et al. While I care not a whit what they say about me, it could well become a political embarrassment for the President and you. Much of this risk can be avoided simply by covering it with an authorized CIA program undertaken with the $15M. This is what I was about to say in the meeting today and a point that I believe Shultz does not understand in his advocacy of third country solicitation. I have no idea what Don Regan does or does not know re my private U.S. operation but the President obviously

(452)

[illegible] 5/6/87
[illegible] National Security Council

JMP 8/69 (17)

[redacted]

UNCLASSIFIED

[redacted] UNCLASSIF

FILE: AAT06 [redacted] 10 WHITE HOUSE COMMUNICATIONS AGENCY

N 12529

knows why he has been meeting with several select people to thank them for
their support [redacted] in Contra. In short, we need to proceed with the
[illegible] [redacted] negotiate, North ?
* IRAN AND TERRORISM
MSG FROM: NSJMP --CPUA TO: NSJMP --CPUA
TO: NSJMP --CPUA JOHN M. POINDEXTER 05/16/86 16:02:01

(453)

JMP 8/70

[illegible] 5/4/87

UNCLASSIFIE

EXHIBIT OLN-11

~~SECRET~~ -- UNCLASSIFIED

NOTE FROM: JOHN POINDEXTER
Subject: IRAN AND TERRORISM
GO AHEAD AND WORK UP THE PAPER NEEDED FOR THE $15M REPROGRAMMING. WILL BALL IS TO CHECK WITH MICHEL AND CHENEY TODAY. I UNDERSTAND YOUR CONCERN AND AGREE. I JUST DIDN'T WANT YOU TO BRING IT UP AT NSPG. I GUESSED AT WHAT YOU WERE GOING TO SAY. DON REGAN KNOWS VERY LITTLE OF YOUR OPERATION AND THAT IS JUST AS WELL.
IRAN AND TERRORISM
MSG FROM: NSJMP --CPUA TO: NSPUB --CPUA 05/19/86 14:00:05

N 12533

5/6/87

JMP 8161 ⓐ (461)

[redacted]

EXHIBIT
OLN-11

UNCLASSIFIED

EXHIBIT OLN-12

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STAIRS/VS AQUARIUS - DOCUMENTS PRINTED FROM DATA BASE: DIDY                PAGE   11

     DOCUMENT NUMBER = 860417101021

RECID            86041710101030 21

CREDATE          08/21/86  ,

ACTIVITY         Meeting/Event.

LOCATION         THE WHITE HOUSE 
                 WASHINGTON, D.C.

TEXT             The President met with:

SUBCODE          CE

SUBJECT          Cabinet/Executive branch.

ATTENDEES        CAB Vernon A. Walters U.S. Representative to the United Nations (UN)
                 WHS Mr. John M. Poindexter Assistant forONational Security Affairs
                 WHS Mr. Donald T. Regan Chief of StaffOO
                 NSC Oliver L. North Council (NSC).
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COPY

EXHIBIT
OLN-12

EXHIBIT OLN-13

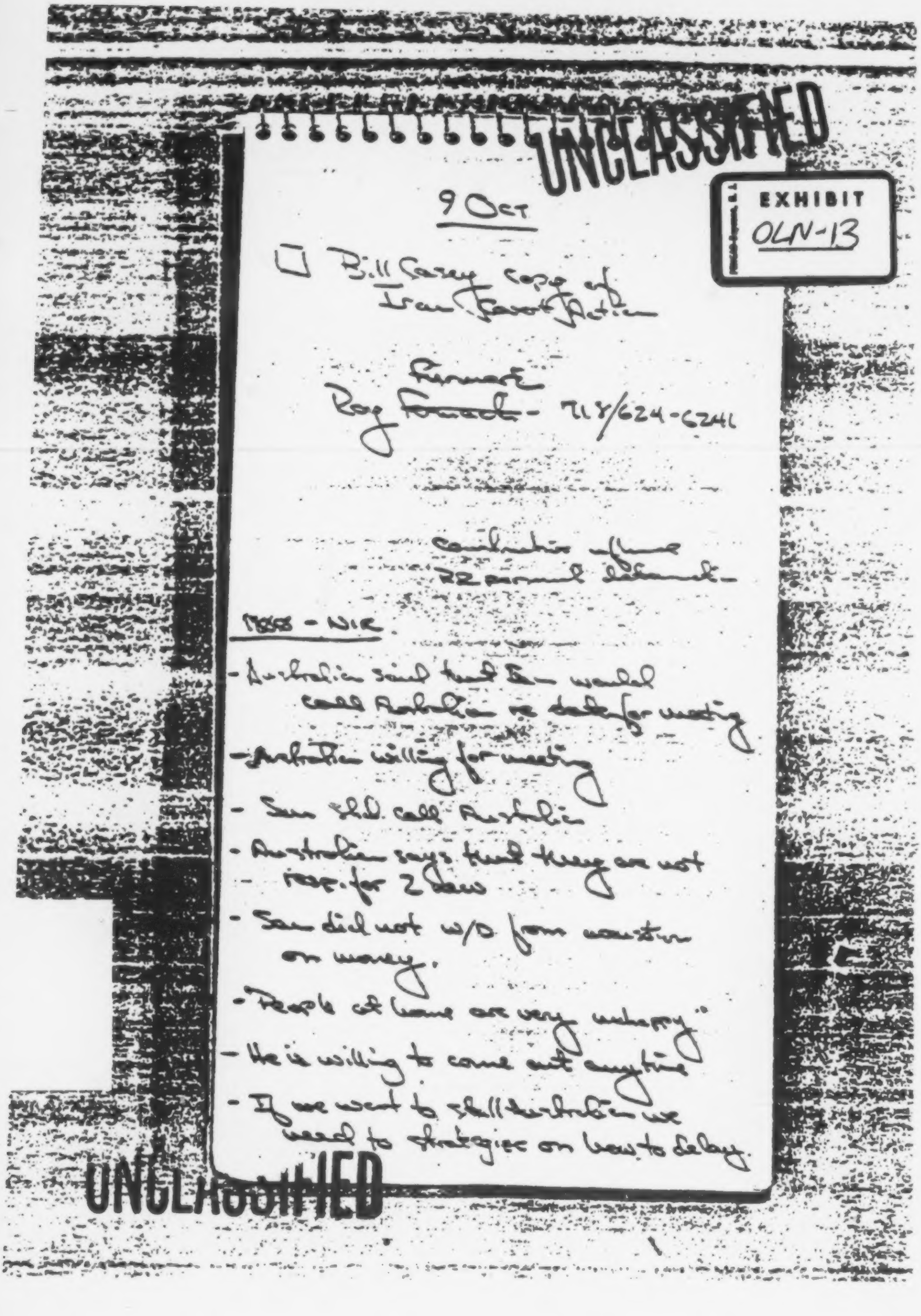

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EXHIBIT
OLN-13

9 Oct

☐ Bill Casey copy of Iran Covert Action

Furmark
Roy ~~Furmark~~ - 718/624-6241

combination of lines
22 personal statement —

1555 - NIR

- Australian said that Sam would call Australian re date for meeting
- Australian willing for meeting
- Sam shd. call Australian
- Australian says that they are not resp. for 2 [illegible]
- Sam did not w/o from counter on money.
- "People at home are very unhappy."
- He is willing to come out anytime
- If we want to stall Australian we need to strategize on how to delay.

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EXHIBIT OLN-14

UNCLASSIFIED

Sunday

Oliver North, AG, WBR, CJC, JR

1. 7166
1 5904

2¹³ pm **AG**: Want to get all facts from everyone involved. Flesh out diff. recollections.
Talk to RR, John P.
Worst thing can happen is if someone try to conceal something to protect selves, RR, put good spin on it.
Want nothing anyone can call a cover up.
What happened early on?
How does Ledeen fit in.

ON: Ledeen first came to ON in July or ~~June~~ 85 — was consultant NSC — talk about Israeli proposal. L current memory is Amer. proposal —
That L took ~~to Isr.~~
I recall L to N to

? L ~~Intro~~ N to Al Schwimer —
relat w/ Rodi + Adanakashomi.
In ~~July~~ or Aug, Schwimer talked in WH w/ N + L — est contacts w/ guy in Eur.
Schwimer

Nashed Allen to go to [redacted]

EXHIBIT
OLN-14

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2

J 7167

~~J 5905~~

[redacted]

I was totally unwitting of
508 TONS until after, Det
Bud call OLN; from Geneva -
Rabine got problem -
need move something around.
- Had discussed w/ MCF philos
Israeli help moving something
to Iran.

OLN called Rabine back -
wanted to send man -
big problem foot -
- move some things that
support What you want to do

Rabine asst: told moving items to support
rapprochement W/ Iran

- Dick Secord - : int'l busnss
- Went to see guy n[redacted]

Rabine saw told N oil related equipmt.

UNCLASSIFIED

J 7168

~~J 5906~~ 3

Several more convers. w/Bud — encour him to call Port ofcls. + think he did. Israelis aborted the move.

Secord went to Tel Aviv per Isr request. Clear high prior. Shpg —

I called Dewey Clarridge at CIA, got name proprietary.

Dick not yet in Tel Aviv —
but when got there —
told 18-19 Hawk missiles.

N talked to Bud — lengthy —
M + N recall — : ok, but not right way to do it, not seen as exchange host. 4 arms.
M meet RR ~~got~~ OK to meet Israelis.

Mtg early Dec — 6 or 7 — with RR.
N to Eur. to set up M mtg — w/ Iranians —
Next day M arrived —
2 mtgs 1 — all — Gorban, Secord, etc
2 — out Kimche — w/N

UNCLASSIFIED 1 5907 4

W/Kimche, emphatic that not
way to go — w/ arms → host, etc

Mtg: M , Secord, Schwimer, Kimche,
Nimrodi, Gorbanifar, N
(Israeli in London + lived in Iran)

AG: disc. arms trans w/M.

N: M disc incentives + their need
but said can't be seen as
exchge arms f/ host

[redacted] Aug 22 - philos disc Kimche — not op.
+ M

AG: TOWS —
N: No knowled —
learned Nov 25-6 from Secord
when in Tel Aviv
[redacted]
Don't know who knew

Bud + Kimche meet
July, early Aug, late Aug.
in part of Thes

UNCLASSIFIED

5

When in room, never raised. 7170

~~1 5908~~

In: London — f/u mtg
Kimche, M, N — no appear.
exchge arms/host.
Broader discussion.
Kimche said all along —
need arms in deal —
— NYT article — Kimche.

N: the Nov. op is a mess —
There were 80 Hawks in
El Al plane —
Secord shut it down b/c
can work —
Off loaded in Tel Aviv —
Probly Called Clarridge 22d or 23d —

~1579 [redacted]

AG: CIA — word — look at legality.

Dick sent long rept to N on how screwed up this is —. Shipmt of Hawks.

Went in disc w/ Poin + McF —
late Nov, early Dec.
Whatever you want done not being done right.
N probly told Claire or Dewey.

Told them shipmt involved arms +
not oil drilling equipmt. Big trouble
b/c CIA OK suppose to be oil equip.
Mid-Dec — talked to Casey.

Told them, as ops ofcr, not way
to do whatever your policy is.

Sedord learned it from Israeli's

Finding: Version of finding That
exists today — shows work
in early Jan —
Started work in ~~early~~ mid-Dec.

Sporkin work — on finding, retro
applic — not til mid Dec
work — I swear —
+ that was f/ prospective
shipmts.

No Knowledge of retro F for
Hawks or future Hawks.
One draft re: all previous
acts — work in mid-Dec.
After Dec. mtg. in London —
talk to M re need f/ finding, etc.

UNCLASSIFIED ~~1 5910 7~~ 7172

Can't have Isr. out doing this
+ want Finding to cover activities

Heard f/ McMahon, Casey + Sporkin
they were goosey about Hawk
shipmt. CIA thought wrong
later.

Need CIA to run op. — need Finding
M agreed w/ need H F —
— Sporkin, Casey, Gates, George, N,
met at Casey house in Dec.
— recall George was there —
mtg after trip to London.

Talk to anyone else about
shipmt after Secord told you.
N: To Poin. — said we need
something more —
Then N to CIA — plane.

Poin totally innocent —
knew nothing of it.
1st learned in Nov when N
raised it.

N was told it oil equip — I wondered
if not but pt knew —
Secord

UNCLASSIFIED ~~J 5911~~ 8
J 7173

Got clearance from Poin. to contact Second for CIA plane.

Second: close personal friend — lived in Iran; Known when AsstSecDef.
Not at N expense — Second.

When learned Hawks, N → CIA? yes.
Who? Perhaps directly to Casey.
AG: Got to McMahon — who sent to lwrs —
N: McMahon was not happy — McMahon can't stand N, blames of Nicar mining so wldn't call McMahon.

AG: Ledeen:

Ledeen would have brought persons to N? yes — but principal contact for Ledeen was McF — joining suite at State — Ledeen pushing Iran rapprochment.

When 1st hear about 508 TOWs?
Think sometime in Oct —
Weir released on 14th —
think result [redacted]

UNCLASSIFIED ~~1 5912~~ 7174 9

[redacted] May have been Secord who told of 508 TOWS — think it was. Nov. op a mess — operationly screwed up — if I'd been involved wouldn't be so screwed up — but someone decided not to — whether M or K — defer to them.

CSC: Allen reminded N yet [redacted]
tasked to go to
[redacted] Gorbanifar —
per Allen it was Sep 85 —
bk Ledeen said worthwhile guy —
— reason: verify who in Iran
G talking to.
Israelis really pushing G on us.

Didn't ask anyone else
re: coverage [redacted] — [redacted]

13 Sep 85 (re: TOWs ?) [redacted]
recent U.S. actions —
demonstrate good faith.

N: we talked prospectively —

Copies — Weir
Casey
M. N.
} decision by M —

UNCLASSIFIED J 7175
~~J 5913~~ 10

N: State not on list b/c it leaks
— handled thru INR —
then if don't like it, hit
papers.

N: asked for dissim. of mtgs
Iran — to State —
not done. (by CIA analyst)

Chron. info re: stmt — [redacted]
where from?

Ledeen learned this in late Sept —
talks from Gorbanifar —
Ledeen told N in Sept.
Q: but said in Nov —
N: from an Israeli —; is when I
learned that from them is Nov.

In Dec, Ledeen told to go away
from this + never come back.
B/c get Israelis involvmt —
Schwimmer, Ledeen, Gorbanifar —
N told Nir — + Nir took over.

Schwimer: bus'man; close to Peres.

Kimche dropped out same time — as
far as N knew — not K, but now Ni.

UNCLASSIFIED J 7176
~~J 5914~~ 11

p.6 chron. not right — Jan. knew for sure
of Hawks (Nir)
Rept'd to MCF + Poin.
Leaked in Nov from Dick —
+ rept'd to John + Bud.

Orig. plan — 2 80 Hawk loads
to Iran of 160 — not happen.
sent 18.

Return of Hawks —
Not correct in chron, what
N wrote — M said to N bk mad —
but Iran didn't like them —

Problem was Isr give $ back.
Don't know $ — pre-finding.

M told N to get Hawks back —
in early Jan. — when Kelly gone.
(2 Jan when Nir here [redacted]) —
Nir raised replenishment for 1st time —
asked any deals made — N don't
know — ask M — said no deals —
N told Nir.
We did replenish —

Missiles sitting in crates — only 1
unpacked — wrong type + needed
US technician — calabrate. Said =

UNCLASSIFIED J 7177 12
J ~~5215~~

Hawks from Israeli stocks, best knowl.
Ab: When we paid replenishmt —
Where $ go?

→ Iran, Nir, Swiss acct; to DOD
normal practice
CIA controller handles it, think.

Dick carried one transfer —
for 1000 TOWs —
Feb. event doesn't produce hostages —
(*) — [redacted]

Money moved to CIA account —
Iranians → Israelis → CIA account
→ Army

Show memo: Is it something you prepared? w/ terms of reference
dated Apr 86 —
reference to:
on 13 Sep, with endorsmt of US gov't,
Israelis transfer 508 TOWs —
— don't know who did it; think
M — based on gen'l understanding
from RR ~~[illegible]~~.

Ab —: ~~[illegible]~~ Some have Concern protect RR but
we need to know facts.

UNCLASSIFIED J 7178
~~L 5916~~ 13

Everyone N talked to in Israeli gov't ——
Peres, Rabin, Shamir, ~~etc.~~ —— at
US request. But not info ff N.

Q: Was M main problem ~~the~~ perception
or the fact of arms
to Iran —— of hostages.

N believes RR authorized it himself
b/c M wouldn't go off on own.
Think M → K understanding

N went to talk to RR re: strategic
relation + w/RR it always came
back to hostages —.
Drawn to linkage
Terrible mistake to say ~~we~~ RR
wanted the strategic relationship -
b/c RR wanted the hostages —

AB: he (RR) talked about both —
if just relationship, not agree arms —
add hostages —

UNCLASSIFIED J 7179
~~J~~ 5917 /14

AG: Same memo, appears to be written
between 4-7 April —
Mention of use of $ —
Transferred ? —
— yes, b/c used it f/ Hawk parts -
16 May $ deposited — to Israeli acct

Use of $ —
— $2.— million for Israeli replacmt.
— $12 M residual funds for
Nicaraguan Resistance

cost: 6.5 parts
2.5 replac TOWS Isr.
9.0x total so 3 M of residual funds:

(★) → Don't know how much was moved - to Nicaraguans —

Israeli decides $ to Resistance.
Our involvmt — none — CIA, NSC none.

AG: how

Nir: Israelis, in Jan 86, approach
w/ 2 ways to help —
[illegible]

UNCLASSIFIED J 7180 15 ~~J 5918~~

Arrange to take residuals from these transactions + to Nic.
AG - disc w/RR. — not w/N.

→ Poin, — pt of contact w/RR.
Fortier involved too — became principal dep —.

Amt? N don't know.
Any CIA handling of that $ —
No, don't think they know,
Some may suspect.

Israeli suggest to sweeten pot?
— Disc. Israeli help gen'lly —
N + Rabine.
Don't recall askin them.
Israeli offers.

If Pres. OKs something — into working files of

AB: If RR approved it — you'd have it? Yes. don't think it was.

Other files there it could be in?
To verify it didn't go forward?

(✭) N.N will ck..

UNCLASSIFIED J 7181
~~J [illegible]~~ 16

Ck if Israeli $ got to Nicaraguans? —
It's Iranian $ — from
profits of arms deal —.

N understood this part of deal.

How much more is there to it?

Feb shipment + last one both had
residuals —

Who else — M or Poin.
N told M in Apr or May 86
Only 3 who could know in
USG — M, P, N.

An Israeli idea — wanted
to be helpful.

guess Money got to them from
this. Contras knew $ came [redacted]
+ appree.. Know

Israeli offer → Colero → open 3 accts in Switz -
N gave #s to Israelis —
$ to accts.
CIA no knowledge —

Vis accusations of N raising $ —
lot other gov'ts have done
the thing w/ Colero + usual.

UNCLASSIFIED ~~1 5320~~ 7182

17

No other US ofcls involved —
M + Poin. knowledgable —

Israelis: Nir, (perhaps all himself)

Gorbanifar cut $ off top.

? { Iranians → Israel → account corp
→ CIA account → army weapons
=weapons
=transportation, etc

(12M in memo based on what told)
by Israelis.

$ left in CIA account → $ ~ 200-300K

AG: 3 transac

1. 1000 tows → Israel → Iran → $ Isr →
$ US
(Feb) (Gorbanifar in it.)

(~ 3-4M to contras in it)

2. Hawk parts / 508 replenishmt:
—payment H parts
—payment for Tows replenishmt.

(contras too)

UNCLASSIFIED J 7183
~~J~~ 5921 18

3 – Oct 500 Tows:
no $ for contras in that —
Nir upset b/c not same price
as before —: didn't want
perception of pvt profit —
[illegible] no need of contra $ —
flowing now.

(★) $ amts — CIA
deposits Europe
pymt Army
pymt trans.

[redacted]

Q: What else like Nicaraguan angle —
A. Nothing.
Israelis said
1 – divert funding — N: No.
2 – use Israeli $ — N: No, All — Israeli $ from!
3 – So, have Iranians pay.

UNCLASSIFIED J 7184

~~J 5922~~ 19

If this doesn't come out, only other is Nov. Hawks deal —

think someone ought to step up and say this was authorized in Nov.

Don't know if RR briefed on it; possible Don Regan is.

Thompson may have seen it.

Folks in OLN o/c don't know.

AG: Must share w/RR — see if he is aware of it.

any other thing aware of?
Problematic areas —
508 transfer:
Hawk transfer:
any thing else others could be doing, have done?

Iranian law won't permit advance pymt — so Gorb. & Kashogi raise $, consortium.

Heard of complaints nonpymt —

UNCLASSIFIED J 7185
~~J 592320~~

AG: Another source potential embarrassment — Those who not paid + lost $.

Any in NY, elsewhere, working for us ?
No; we turned over to Customs.
Gorbaa: 22 Apr bust — he had $ in it. Lost 19M in sting by FBI

AG out (4:05 pm) s —.

Cooper:

Nir mtg w/ Poin/N — and Nir admits he in charge — Poin. upset w/ Hawks deal — get money back —
[redacted] No doubt Nir convinced US encour/acquiesced/agreed in 508 TOW shipmt —
N didn't agree —
— from disc. w/ Bud.
— No reason to doubt Nir.
— Ask M about it — M said "I've always insisted we didn't trade arms for host."
Think Bud needs to think out disc w/ RR + Israelis + this prob will go away.

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② — Bud does not recall specif. author. shipmt of Hawks.
Nir satisfied N — US endorsed it.
M answer re: TOWs equivocal enuf so doesn't disbelieve Nir.

→ Feb. shipmt did not produce hostages —
thus, not strict quid.
Cooper: expect hostages?

Replenishmt? When —

M + Kimche conversations —:
— strong objections to Kimche to shipmts in chron. based on perception —.
— what doesn't square — is
RR → hostages
McF → strategic dialog.
Bud doesn't like perception.

WBR: Discussion of policy — vis Iran / embargo, etc.
— exception
— list of wants — we declined many & most.

• anti — X missile — is defensive.

~~1 5925~~

UNCLASSIFIED J 7187 22

508 Tows linked to Weir: N: yes; from what I understand.
18 Hawks linked to any hostages — : don't know

→

Hawks return:
Israelis didn't want to give $ back. Iranians didn't want it — not what ordered.

Learned of it —:

(★) US Air crew to move all cargo we ran — Feb '86 on forward — run w/ crew from Southern Air Transport in Miami Fla —
DOJ investigating of contra relations.
↳ paid by Israelis

Proprietary airline — stmt used to Iran earlier —
use them |7 508 TOWS (?) — [redacted] Casey said x

UNCLASSIFIED J 7189 ~~J 5927~~ 24

Nov: 85

McF. call N. in ofc —.
Call Rabine —
N called. Said problems — in midst
of assisting you — deliveries to
countries in E — aide to Wash (Israeli gen'l)
Call M — problems in [redacted]
—shipping something (N guess is arms)
Mus. Call Second to help.
Name of fellow in [redacted] — Israeli

Second call & ask if non-US, non-Isr.
charter large cargo plane — Iran to Israel on false docs
→ N Called Clarridge — name.
1st contact on Hawk episode w/CIA -
or any of this except for airtell request.
→ Ask name of discrete airline in Eur.

[redacted]

→ Unspecified # flights.

In Israel, they want'd, per Second,
to take more than 1 flight — N said no.
M doesn't recall conversation this time
frame — he was under pressure —
in papers re: affair.
N → Told M + Poin. about Seconds' rept

UNCLASSIFIED J 7190
~~5922~~ 25

about what's really going on.

Copp is Secord — for telephone purposes. McAdams is Secord too — w/ documentation.

* Clarridge gave name of person in [redacted] to N → N to Secord → Secord to Israelis, who called + set up the airplane.

—

Thompson was with M at Geneva —
Q: Thompson logs ——
Thompson: Counsel + military aide to
M + Poin (now).
M called someone in [redacted]
Q: Nature of urgency;
A: Israelis want'd it.
Did you think it oil equip —?
A: NO, thought it munitions
+ told M + P — they said go do it —
+ CIA not told of N purposes — CIA told by N it was oil equip.

5:05 pm [redacted] (JR out a minute)

UNCLASSIFIED J 7191
~~J 5929~~

26

— Think Israelis probly passing selves off as Americans.

[redacted]

Genesis of Chron —
on 15th — Poin. said do a history.
— went to files, talk to M, P, others.

— get it to RR
— Still inconsistencies.

(CIA) Second ——
expenses — CIA.
intemed.

Intell Exchng
began in Feb —

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J 7192
~~J 5930~~

27.

To show Iran can't win, we gave some doctored intell.

[redacted]

Who knew 508/Hawks

✓ M, RR, Thompson, Poin, Regan, VP

~~If intg~~ = maybe → Casey
Shultz (M says told him everything)

M says no foreknowl Hawks

Shultz to AG, M told Hawk

M → Shultz don't recall

M not tell P, N
Compuse in Jan

When M tell Shultz.

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UNCLASSIFIED ~~1 5931~~
J 7193 28

H foreknowledge — of plan agreed to with Israel — not necess. the Hawks.

__Ck:__ on getting coop. of Israelis —
before anything public.

ICLASSIFIED

7194 29

On trip to Iran in May ~~5952~~

M, Cave, Teicher, CIA commun, Nir Amie [redacted], N.
([illegible])

We never provided technicians

+ still want one

5^{55} Ollie out.

Exhibit OLN-15

[redacted]

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November 26, 1986, Wednesday, Final Edition

SECTION: FIRST SECTION; PAGE A8

LENGTH: 7708 words

HEADLINE: Transcript of Attorney General Meese's News Conference

BODY:

Why don't I tell you what is the situation and then I'll take your questions.

On Friday afternoon -- or Friday at noon, the president asked me to look into and bring together the facts concerning the -- particularly the implementation of the strategic initiative in Iran and more precisely, anything pertaining to the transfer of arms. Over the weekend this inquiry was conducted. Yesterday evening I reported to the president. We continued our inquiry and this morning the president directed that we make this information immediately available to the Congress and to the public through this medium this noon.

Let me say that all of the information is not yet in. We are still continuing our inquiry. But he did want me to make available immediately what we know at the present time.

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What is involved is that in the course of the arms transfers, which involved the United States providing the arms to Israel and Israel in turn transferring the arms -- in effect, selling the arms to representatives of Iran. Certain monies which were received in the transaction between representatives of Israel and representatives of Iran were taken and made available to the forces in Central America, which are opposing the Sandinista government there.

In essence, the way in which the transactions occurred was that a certain amount of [illegible] by representatives outside of the United States with Iran f[illegible]. This amount of money was then transferred to representatives as best we kn[illegible] can be described as representatives of Israel. They, in turn, transfe[illegible] to the CIA, which was the agent for the United States government under a finding prepared by the president -- signed by the president in January of 1986. And, incidentally, all of these transactions that I am referring to took place between January of 1986 and the present time. They transferred to the CIA the exact amount of the money that was owed to the United States government for the weapons that were involved plus any costs of transportation that might be involved. This money was then repaid by the CIA to the Department of Defense under the normal procedures and all governmental funds and all governmental property was accounted for and statements of that have been verified by us up to the present time.

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The money -- the difference between the money owed to the United States government and the money received from representatives of Iran was then deposited in bank accounts which were under the control of representatives of the forces in Central America.

How much money, sir? How much involved?

We don't know the exact amount, yet. Our estimate is that it is somewhere between $ 10 and $ 30 million.

How did it come to your attention?

In the course of a thorough review of a number of intercepts, and other materials, this -- the hint of a possibility that there was some monies being made available for some other purpose came to our attention, and then we pursued that with the individuals involved.

Why wasn't the president -- why wasn't the president told?

The president was told as soon as we found out about it.

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And he knew nothing about it?

The president knew nothing about it until I reported it to him. I [illegible] yesterday morning that we still had some more work to do, and then I gave him the detail that we had yesterday afternoon

Is this what you were looking for when you began? Or is this just something that turned up in the course of your weekend investigation?

This turned up in the course of the investigation. The first thing that triggered, if you will, an inquiry, was the fact that as people prepared their testimony -- because this had been done in a rather compartmentalized way -- as people prepared their testimony for the Hill on Friday, there were certain things where facts -- there appeared to be more facts out there than we had already put together. And it was a matter, then, of the president requesting me to talk with everyone who had any participation at all, because one agency was doing one thing, another agency was doing another thing -- there was very little paperwork -- and to determine precisely what all of the facts were because he wanted to be sure that he had all of the information about anything that may have occurred in the course of this whole situation. That was -- it was during the course of that inquiry that this information was found and then was followed out to the conclusions that I mentioned.

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General Meese, can you tell us who is running national security policy? Can you clear up for the American people, is Secretary [George P.] Shultz staying? Who is the new national security adviser? And what are you recommending in terms of possibly restructuring the White House staff?

In answer to your questions in order, at the present time, upon [Vice] Adm [John M.] Poindexter actually leaving his post. Al [Alton G.] Keel [Jr.], his deputy, will be the acting assistant to the president for national security affairs. The president has not yet selected a replacement, but he will do so as soon as possible.

Secretary Shultz is remaining in his position as secretary of state. That has not been a matter of conjecture, or discussion, or inquiry. And the third part of your question?

Oh, what recommendations will we make? We will make whatever recommendations for further proceedings come out of it, but more particularly, the president will be appointing a small commission which will look into the procedures and role of the NSC [National Security Council] staff and will make specific recommendations to him as far as the process for the future.

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We've been told that the president was operating, from the beginning of this operation in June or July of 1985, on legal opinions -- not written, but oral -- from you. Now, one can ask, then, are you, at this point, sorry that you gave the advice that the NSC should do this operation, overlooking the objections of State and Defense?

The only legal opinion that was involved had to do with the routine concurrence with the finding of January 1986. That's the only legal opinion, or legal advice that was asked for, or that was given.

General Meese, who in the NSC was aware that this extra amount of money was being transferred to the so-called contras or under their control? Did Adm. Poindexter specifically know? Who else knew, and did the CIA know? Was CIA Director [William J.] Casey aware of this?

The only persons in the United States government that knew precisely about this, the only person, was Lt. Col. [Oliver L.] North. Adm. Poindexter did know that something of this nature was occurring, but he did not look into it further.

And what, if I could follow up, sir, what about CIA Director Casey?

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CIA Director Casey, Secretary of State Shultz, Secretary of Defense [Caspar W.] Weinberger, myself, the other members in the NSC -- none of us knew.

When you say that Poindexter knew, do you mean he approved of it?

No. Adm. Poindexter knew generally that something of this nature was happening. He did not know the details.

He did not try to stop it, though?

I don't know precisely when he learned it. He knew of it sometime during last year.

But he didn't try to stop it, sir?

He did not try to stop it.

General Meese, let me ask you this. In the course of your investigation, did you satisfy yourself that you know exactly how many shipments of arms went from the United States or Israel to Iran, and exactly what they contained? There's quite a bit of controversy over that.

We are fairly sure that we know of the shipments of arms, because we have some control. We know it was shipped out of DOD [Department of Defense] stocks. We will only know -- we only know at this time what the United States participated in. We don't know of any other arms sales that may have been made, but we do know those that the United States participated in.

Well, let me just follow up. Have you established in your investigation whether anyone in the United States government gave a wink, a nod, an accord or any kind of approval for shipments which Israel or any other third country may have made?

Well, all of the shipments that, in which the United States' equipment was involved, were made by, through Israel -- were made by Israel.

Was that legal? Was that legal?

Yes.

Mr Attorney General, do I understand, sir, that what you're reporting on this morning and what the president reported on this morning is a discovery of diversion of funds? The central questions that have been asked for the last three or four weeks about the propriety of shipment to -- arms to Iran, about

the U.S. arms embargo at the time, the questions that the Hill has been asking -- you have, if I understand correctly, we have heard nothing new on those questions today. Is that correct?

We have heard nothing new that hasn't been testified to essentially on the Hill. There are, we -- we may have more information than has been brought to light already. [illegible]'ve talked with Congress basically. I think Director Casey gave a pretty full [illegible]ition.

But this today, the discovery and the announcement, rather, today of the diversion of funds -- we take it by Col. North -- that does not drive to any of those other questions. Did what Col. North do, is that a crime? Will he be prosecuted?

We are presently looking into the legal aspects of it as to whether there's any criminality involved. We're also looking precisely at his involvement and what he did, so that the conclusions as to whether there's any criminal acts involved is still under inquiry by us.

Isn't it at this time likely, even preferable from your point of view, that a special prosecutor be appointed to examine these questions? You're talking not only about the law about the Iranian transactions, but the congressional

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strictures against the military aid to the contras. Isn't it now time for a special prosecutor?

No. If we find that there is any criminality -- which as yet there have been no conclusions -- and if we find that anyone who is a covered person under the Independent Counsel Act is involved, then that would be the time to request an independent counsel, as we would in any other matter.

Is a grand jury -- to follow up -- is a grand jury taking evidence on this?

No. There is no grand jury at the present time.

[inaudible] still saying it was not a mistake -- the policy was not a mistake, General Meese?

I think the policy, as the president said, to reestablish our relationship with Iran, to try to bring an end to the Iran-Iraqi war, to try to decrease the participation of Iran in terrorism in the Middle East, and to get our hostages back -- all of these objectives -- certainly were not [a] mistake.

The way it was carried out led to this diversion of funds by not including the other agencies.

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It didn't lead to the diversion of funds. The funds were transferred, and that's one of the things that has disturbed me and disturbed the president. That was not an inherent part of anything having to do with the policy itself. Instead, it was actually an aberration from the policy and from everything that had been described to the president and to the other members of the National Security Council.

[inaudible] suggesting if Congress had been notified, don't you think it would have been unlikely for this to happen?

No. I think exactly the same thing could well have happened because this was something that was unknown to any of the officials that gave authorization for this in the first place.

Could you tell me what these funds were used for?

I don't know. I don't know that anyone does. They were just provided to the contras through this bank account, and that was the end, so far as we know, of anyone in the United States government knowing anything about what happened to them.

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How did you discover it, Mr. Attorney General?

How did we discover it? In the course of a review of documents, we came across a reference to the possibility of differences in amount between the funds being paid by Iran and the amount of the actual weapons -- that was [illegible]

And, secondly, there were some references to this in one particular document that we found. While it didn't reveal the whole situation, we then used that as the basis for proceeding further and discussing with one of the participants, what this all meant., And that's how this was discovered.

When you talked to Col. North over the weekend, did he admit that he had done this?

I will talk about the facts. I think as far as anything that might possibly be involved in legal action as to who admitted what, I think it would not be appropriate for me to go into that.

One final follow-up, then. How did Col. North -- let me put it this way these transfers of monies, did they only go through one man -- Col. North? Were there no other people involved?

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No transfers of money went through anyone. Bank accounts were established, as best we know, by representatives of the forces in Central America. And this information was provided to representatives of the Israeli government and the funds -- or representatives of Israel, I should say -- and then these funds were put into the accounts. So far as we know at this stage, no American person actually handled any of the funds that went to the forces in Central America.

[inaudible] Israel deposited money to accounts that it had been asked to deposit the money to -- Israel deposited money to accounts it had been asked

These are some of the details that we're still going into, because we haven't had a chance to interview everyone.

General, have you made any finding regarding the use of the National Security Council staff as an operational wing of the government, and that it would result in something like this?

This is what the board or the commission that the president will set up will presumably be looking at. We will probably be making recommendations on this regard.

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You made the long march with the president from California, and there are many, many reports that his California friends and supporters do think there would be a real shake-up at the top. Yesterday, a No. 2 man at the State Department really damaged the president's position in a way -- publicly -- by opposing it, differing and so forth. Do you think that Secretary Shultz has behaved in the proper style, and should he stay on? And what do you think should happen? What's happening to the president?

Well, I think you know that for the almost six years that I've been here I have never commented on any other member of the administration. I'm not going to change that now. I do think -- I will say this. I think every member of the administration owes it to the president to stand shoulder-to-shoulder with him and support the policies that he has -- the policy decisions he has made -- as well as to stand by him when something has happened which the president didn't know, as in this case, and where he has very courageously, I think, made it immediately available to the American public and to the Congress. And I intend to do that. Other people can speak for themselves.

Mr. Meese, setting aside what the president didn't know until last night about the diversion of funds, you have the spectacle of the top members of this administration fighting one another like cats and dogs over policy, and the president's credibility being damaged as a result. Have you done nothing to

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address that? Has anyone here addressed it?

I think, again, this would involve commenting on other members of the administration, which I won't do. I've already said what my position is, and my position is clearly that I think anyone who is a member of the president's staff or the president's Cabinet has an obligation either to support the policy decisions of the president or to get out.

Specifically, though, there have been published reports that you have recommended to the president or Mrs. [Nancy] Reagan or to someone that a change needed to be made at the White House staff. Is that so?

No.

Not true?

I have not -- the published reports I've seen are those which said that I was in league somehow with a, quote, "group of Californians" which had to do with major shake-ups in the government. I have not had any conversations with any Californians about such a group or making such recommendations.

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Have you had any conversations with Drew Lewis about replacing [White House chief of staff] Donald Regan, sir?

No.

You have n[illegible]lled Drew Lewis?

I have not called Drew Lewis, and he has not called me about getting the job, no.

Is the job open?

No.

Excuse me, sir. You said that between $ 10 million and $ 30 million surplus funds from the Iranian arms sale may have been diverted to sources in Central --

I say, may have been transferred.

That's right. The public reports and what the White House has said suggested that only $ 12 million total was spent for these. What's the total cost of the arms?

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The difference is -- it was $ 12 million worth -- approximately -- worth of arms that was transferred from DOD stocks. That's --

Is that how the Israelis sold them for $ 10 to $ 30 million more than that?

That's my -- that's the best of our understanding at the present time, ye

Did you know they were selling them at a premium?

No one at a command level in the United States government did. No

What was the purpose, as you determined it, for setting up this special given the funding that's been approved, why was it that someone in the White House felt it necessary to funnel this extra money to the contras?

Well, I don't know precisely -- except that this was all done during a perio when the funding was not being provided by the Congress. This was all done prio to the first of this fiscal year when funding was resumed. So, it was at a tim when no funds were being provided by the United States government.

Is this definitely in violation in the law, then?

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That's something we're looking at at the present time because it depends on two things: precisely what was done and precisely who did it, in terms of what people who are United States officials, or United States citizens -- actually participated, and what their conduct was. That's what we're still looking at

In your conversations with Adm. Poindexter, how does he explain not having alerted anyone that this was going on? As you said, he was aware of those happenings and --

Again, I'm not going [illegible] any precise conversations with anyone while the inquiry is still [illegible]. Let me just say that he did not notify anyone of this, particul[illegible]ident, or any of the other members of the National Security Coun[illegible]

Did he quit [illegible]ired?

Adm. Poindexter resigned -- or actually requested reassignment to the Navy of his own accord before anyone ever raised any question about this. He did this of his own volition because he felt -- because he felt that it was his responsibility to take that action to avoid any possible confusion over this matter and to allow the president to have a new start in terms of his national security operations.

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When did he do that, sir?

He discussed it with me, yesterday, and he actually -- and he --

That was after the information had come out about this diversion of funds to the contras, yes?

It was during the same conversation that I discussed with him that he mentioned what his feeling had been as to what he ought to do in regard to the whole matter.

But, it was only after he was aware that this had become public, and you knew about it.

No, it had not become public at that time.

But, that you knew about it, correct?

This is correct. However, I was led to believe that he had already planned to resign prior to his conversation with me, and he actually told the president this morning.

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You say the members of the administration should support the president or get out. Where does that leave the secretary of state?

I'm not talking about any particular person. Conclusions are your business, not mine.

Would you, please, clarify the whole question of the president condoning a third-country shipment prior to signing this order -- this intelligence finding in January. Exactly what did the president know, and when did he know it? Who told him the details were, in terms of Israel shipping arms to Iran, apart from this additional question of shipping arms to the contras?

This is still being looked into. The president did not have full details of all of the aspects of transactions that took place prior to the finding. There were -- there was at least one transaction that we know about in which Israel shipped weapons without any authorization from the United States. There was another transaction of a similar nature, although there was probably knowledge on the part of people in the United States about it, and this --

When was that?

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-- is one of -- there was a transaction, one transaction in late August or September, and there was another transaction in . . . of '85 -- in November. And in the November transaction, actually, those weapons were returned to Israel, it's our understanding. That was -- that whole -- both of those transactions took place between Israel and Iran, did not involve, at that time, the United States.

At what point did the president know? You said he didn't have the full details.

What details did he have about those transactions, and when did he have [illegible]

The president -- this is one of the things that we're recollecting now. The president was informed generally that there had been an Israeli shipment of weapons to Iran sometime during the late summer, early fall of 1985, and then he later learned [illegible]February of 1986 details about another shipment that had taken

place in November of '85, which had actually been returned to Israel in February of '86.

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If he didn't really know, why did he call Shi- mon Peres to thank him right after Benjamin Weir's release? Why did he call the then Israeli prime minister to thank him for Israel's help in sending that shipment of arms?

Well, he thanked -- he called -- I don't know, because that's something I have not discussed with the president specifically, the call to Shamir [sic], but I think there was no question that the Israelis had been helpful in terms of their contacts with other people in regard to Weir.

Attorney General, Adm. Poindexter has told reporters that the president verbally authorized that shipment in September of 1985 from Israel to Iran. Does your information dispute that?

Our information is that the president knew about it probably after the fact and agreed with the general concept of continuing our discussions with the Israelis concerning these matters. That's the information I have.

But who had the authorization ability, if not the president? Who can authorize --

Well, nobody -- to my knowledge . . . . To my knowledge, nobody authorized that particular shipment specifically.

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The Israelis [illegible] their own?

That's my [illegible] yes.

Do you know [illegible] claim that they never did anything without the full knowledge, und[illegible] and consent of the United States government?

My understanding is that in terms of that particular shipment -- and this is one of the --

Which one? The September '85?

The September -- August or September, it's either August or September -- that on that particular occasion, it was done at their -- on their own motion by the Israelis. It was known to us, and it's uncertain as to whether it was known before or after, and --

Didn't [former national security adviser] Bud [Robert C.] McFarlane meet with an Israeli official just at that time?

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Wait a minute. Let me finish my answer -- and that it was, however, after the fact, at least, was condoned by the United States government.

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You corrected yourself to make a distinction between the Israeli government and Israelis that were involved in the diversion of funds. Are you implying that there was somebody outside the government and that they are, in fact, the kingpins behind the -- this operation to divert the funds?

Well, one of the things that's very difficult is to be talking about this in the middle of an inquiry which is not yet complete. We don't know all the facts. And so, as far as things that are happening other than involving United States persons or United States government officials that we have talked to, we don't know all the facts. That's why I'm being very careful to say that, as best we know, they were representatives of Israel. Whether they were specifically authorized by the government or not is one of the things I would assume we will find out.

What's to prevent an increasingly cynical public from thinking that you went looking for a scapegoat and you came up with this whopper, but it doesn't have a lot to do with the original controversy?

Well, the only thing that I can say is that we have been very careful to lay out the facts for you and for the American public just as rapidly as we've gotten them -- much, much different than we would do in a normal inquiry or investigation, when we usually wait until the inquiry is complete. But the

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president felt that in the interests of getting the full story out, that he should make the statement that he did today and that I should appear before you and answer questions -- which I think you will agree is doing everything we can do to be sure that there is no hint that anything is trying to be concealed

Mr. Meese, how high did this go? In other words, do you believe, and are we being asked to believe, that a lieutenant colonel took this initiative and had these funds transferred, and that only Adm. Poindexter knew about it? How high did it go?

Well, what [illegible] have just said is an accurate picture of what we know at this time. And to [illegible] best of our knowledge -- and we have checked this rather extensively -- [illegible] did not go any higher than that.

Mr. Meese, was [retired major] general [John K.] Singlaub or [retired major] general [Richard V.] Secord or anybody in that network providing aid to the contras -- were they involved in this?

Well, I can't tell you because we have not completed our inquiry, and the only names that I have used are people with whom we have talked and have pretty good information as to who's who.

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You've talked about giving us this information about the funds to Nicaragua

Congress specifically forbade you, in the Boland amendment, from directing or providing support to the contras. Haven't you, based strictly on the information you've given us today, violated the Boland amendment, and hasn't one of the president's staff members overseen that?

This is something that we are looking into at the present time. As to the specific applicability of variety of laws and whether the acts that particular persons committed were in violation of those laws, I'm not prepared at this time to make a legal conclusion because that's still under consideration.

Would you tell the president that the Boland amendment might have been violated, and that's why you were taking this action?

My answer remains the same.

Mr. Meese, you say Adm. Poindexter is being reassigned. Should he be reassigned without any determination being made as to whether or not there has been any criminality involved here?

Well, he is a naval officer, a very distinguished naval officer. He has asked to be returned to the Navy, and the president has agreed to allow him to do

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that. So it's a matter of him deciding to relinquish his position as the assistant to the president for national security affairs. So he automatically goes back to the Navy, as he's requested.

[inaudible] Do you believe, or has the president expressed to you some concern that perhaps he needs to change some of his staff operations in order for him to receive more information and have more of a hands-on presidency?

It's not a matter of having a hands-on presidency, it's making sure that those people who are working for him are following the procedures. That's the reason why he has this commission which will be reviewing specifically what those procedures and what those standards of conduct are. As far as what the president didn't know, I only mentioned two times -- one time where he knew nothing, which was the transfer of funds to the forces in Nicaragua. The other thing was where he didn't have complete information at the time regarding the November transaction. And in the summer the August situation in which he was informed of that, but after the fact. And it's my understanding that the United States individuals involved were also informed after the fact.

But does h[illegible]ieve that he has been badly served? Is he angered by this?

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I think what -- that that calls for a conclusion. I'm just talking about facts.

What does this do to your credibility with Congress? I mean, how can your people now go down to Congress and look them in the eye when they passed a law opposing funds for the contras and your administration, however it happened, wound up sending that money?

I think the same way you do when anybody in the administration does something that is not correct. And that is, you go down to Congress [redacted] exactly what happened, which is what the president and what I did today. I don't think anyone can be responsible if someone on the lower echelons of government does something that we don't feel -- or that -- objectively viewed as not correct. But when that happens and you find out about it, you investigate it and you take the necessary action, which is exactly what we did and what the president has done.

Mr. Attorney General, will you cooperate with Congress?

It's my -- I don't like to -- I want to get Larry's [White House spokesman Larry Speakes] permission [to take additional questions], but I'm not really a sadomasochist.

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Congress will undoubtedly require its own investigation, on the theory that the administration cannot properly investigate itself in this matter. Will you cooperate with a congressional investigation?

I don't accept your premise that Congress will feel that we can't investigate ourselves. We're not investigating ourselves. We're investigating certain people within the administration. There's no question whatsoever or no implication that anything that was done was administration policy or directed by top administration officials. However, the president has already directed -- as he told you, I think almost two weeks ago -- that he wanted all members of the government to cooperate fully with the Congress so that all the facts would be presented to them. And that's why such an immediate presentation to the Congress was made, as it was this morning.

Sir, was there -- can I ask you, what did Col. North actually tell you? Why did he do it, and where was the money deposited? Was it in one bank or several banks?

I'm not going to go into specific conversations, for the reasons that I mentioned earlier. My -- the information we have at the present time is that it was done because this was during a period when Congress had not provided money to the contras; it was done during a time in which, it is my understanding,

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that provisi [illegible] by Congress to permit the United States to seek funding of th [illegible] caragua from third countries and -- what was the other part of [illegible]? . . . . And the bank accounts -- my understanding is that the ba [illegible] were in Switzerland and that they were -- where normal deposits are made into accounts -- into numbered accounts, and then this was withdrawn by the representatives of the forces in Nicaragua.

Was [contra leader] Adolfo Calero involved? Was he the man that North contacted?

I'm not going to be able to talk about people where I don't know specific facts.

I would like to know what's going to become of Lt. Col. North, and if he's going back to the Marine Corps?

Lt. Col. North has requested to return to the Marine Corps, and that has

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accomplished. As a matter of fact, I think -- my understanding is -- I [redacted] that he has already indicated that he is retiring from the Marine Corps, but that I'd have to check.

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You said that it is time for the president's men to stand shoulder-to-shoulder -- that that is your belief. But specifically, what has the president instructed of his Cabinet members in that meeting yesterday that lasted for two hours, that he wants to have happen now?

You know that I never comment on meetings with the president and who said what.

Could you say -- since that money was owed to the U.S. government, the $ 30 million or $ 40 million, are you going to --

No, it was not owed to the U.S. government. All the money that was owed to the United States government was paid to the United States government.

Are you going to require that that additional money that went to the contras go back to the U.S. government?

We have no control over that money. It was never United States funds, it was never the property of United States officials, so we have no control over that whatsoever.

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[inaudible] Can the president legitimately expect to get anything accomplished on Capitol Hill unless he makes some changes?

I think the president has already indicated that he will make some changes. One of the things he's going to do is to have a commission to review the procedures and the role of the National Security Council staff. Already, Adm. Poindexter has requested return to the Navy, so the president can make some changes in that particular spot . . . . So I think the changes are already under way.

Robert McF[illegible], the former national security adviser who was deeply involved in [illegible] whole project, did he know about this diversion of funds to the contras?

Bud McFarlane knew about it. He was told about it in the middle of the year -- April or May of 1986 -- at a time when he was no longer in the government.

So he was aware of this while it was going on?

That's my understanding, yes.

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And possibly an illegal act -- an illegal diversion of funds?

You're coming to conclusions that we haven't made yet.

Why did the administration decide not to send medicine and humanitarian aid, and isn't it true that if you had decided to go that route, you wouldn't be in the mess you're in?

That's a matter for foreign policy expertise. Justice is my routine.

Do you expect further resignations or some other way for this administration to establish its credibility and to show that its Cabinet is functioning?

I think that the administration has already demonstrated its credibility by the full disclosure of the facts. I think there's no question the Cabinet is functioning right now -- as witness the meetings we've had yesterday and today -- and I know of no other resignations that are either contemplated or requested.

Do you mean to suggest, sir, that the Congress may have authorized what Col North did in seeking funds for the contras and third countries? Did you mean to suggest that?

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I -- certainly, Congress never specifically authorized what Col North did. The question that has to be looked at, as a legal matter, is whether he committed any violation of law at the time he did that.

But, were you suggesting that the intelligence committee may have given the go-ahead to the CIA, for instance, to raise money from third countries?

No, I did not. I did not comment on that aspect of it at all. All I said -- the only point that I'm making -- is that before determining whether there is any criminal offense, you have to find out what, how the law applies to specific acts -- and that's going on at the present time.

To follow up, sir, could you explain how it is that the president's national security adviser, who has the president's ear, could not, at least, inform the chief of staff, Mr. Regan, of this?

I cannot ex[illegible] it other than the fact that it happened.

Since no o[illegible] other than those two men knew about this, and since the president insi[illegible] that he did not make a mistake in the Iran deal to begin with, why was the investigation begun? Why did he come to you last week and say, "Look into this"?

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He didn't. I came to him.

Why?

Because as the various -- I had been in meetings -- in looking at the various aspects of the testimony -- and there appeared to be things that we didn't know because one person had done this and one person had done that -- and I [illegible] the very necessary secrecy involved in this, and the highly compartmented nature of the operation, a lot of people did not know certain things that were going on, that were being done by others. My suggestion to the president was that we get all of the facts together to be sure that anyone testifying before Congress was being absolutely accurate, not only as to what they knew, but as to other facts, since they were representing the administration. The president suggested that that be done -- that the facts all be pulled together. It was in the course of that, that this information came to light.

In your inquiry, did you determine how much information the State Department has gotten -- not in reference to contra money -- but in the whole respect of this Iran connection, did, were they informed, or weren't they?

Well, I think Mr. Shultz has said that he participated in certain meetings, and did get certain information, that he had opposed the concept of any

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transfer of arms, and that he was not involved, nor was he informed about any of the implementing steps. And everything that I have found, including my discussions with Mr. Shultz himself, verify that that is essentially correct.

Whose money was misappropriated? If it wasn't the United States government funds --

I don't know that anybody's money was misappropriated.

Can you explain a little more about how the pricing of these weapons took place -- I mean, who it was who set the price for the Iranians, and how that occurred? Was it North? Was it the Israelis?

My understanding is that all of that took place in negotiations between people which we might call "loosely" representing Israel and people representing Iran. And, so -- that this was not done in the presence of, or with the participation of any American persons, to the best of our knowledge at the time. That's one of the things that we'll be looking into.

Did Israeli officials know that this money then was being transferred to the contras -- that that was the goal or the target of it?

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I don't [illegible]ther Israeli officials, as opposed to representatives, depending on who the people were, knew -- that's one of the things again that we will be looking at.

Who were the Israelis and who were the Iranians?

Again, I can't mention any names until we actually have those things pinned down, which is one of the things we'll be looking at.

Was this Col. North's idea? Was it Col. North's idea -- if we can bid up the amount of money the Iranians are paying, we can take that extra money and give it to the contras? Did he come up with the original idea? Was it an Israeli idea? And a second question, sir -- there have been allegations that Vice President Bush was involved in supplying money or aiding the supply of money to the contras. Do you know whether or not he was aware of this project at all?

First, I don't know precisely what the conversations were -- who said what to who -- when this thing first got started. Again, it's a matter that is still under investigation. I do know that the president -- that the vice president did not know about any of this until yesterday when I informed him of essentially the same information I had given the president.

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How is it that so much of this can go on and the president not know it? He is the president of the United States. Why doesn't he know?

Because somebody didn't tell him, that's why. And remember, we're talking about three situations over a period of some six or eight months, and the people who were involved in the situation didn't tell anybody, including the president. So, it's common understanding why the president wouldn't know, because no one in the chain of command was informed.

Mr. Meese, if they weren't U.S. funds, whose money was this?

Well, I think that's -- I would assume that it either belonged to the party that -- who had sold the weapons to the Iranians, or it belonged to the party who had bought the weapons and given the money. That's -- but I think it would probably be the party that had sold the weapons to the Iranians.

Sir, were any of the principals on the Iranian or the Israeli side -- were they involved in cases that the Justice Department was prosecuting or investigating separately -- first? And second, was that --

Not to our knowledge, in answer to your question.

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Were those bank accounts -- is there any evidence or indication those bank accounts were set up by the CIA?

No. There's no indication at all.

Or that th[illegible] it with the help of the CIA?

No. There's [illegible] indication whatsoever, to the best of our knowledge -- that [illegible] one in the CI[illegible] anything about it.

Can you explain, sir, why, if it was the people who are leaving today -- did, were the ones who proposed to the president the idea of arms shipments to Iran -- if, perhaps, they had other information from the president on that policy, as well, why doesn't the president ask for a reexamination of that policy? Perhaps the four goals that you mentioned, which they proposed -- that there's a question about them, as well? Perhaps the president has been misled about this larger policy, as well, since we know that Secretary Shultz opposes it and Secretary Weinberger opposes it, but the main advice came from NSC, from the people who are now leaving. Don't you think the president should reexamine that policy as well?

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No, because the people who are leaving today were not the people that proposed the policy to the president. The policy was proposed initially as a result of conversations with Israel. It was then presented to the president by the then assistant to the president for national security affairs. It was

discussed with all of the members, in January, with all of the members of the National -- or almost all of the members of the National Security Council and that on the National Security Council there was a split of opinion. But after hearing all of the arguments, pro and con, the president decided that the potential for achieving the goals of effecting peace in the Middle East, helping secure that area, stopping a war and obtaining our hostages was worth the risks involved.

Can you say that when the president made that decision -- who was his national security adviser?

Adm. Poindexter was actually -- it really was at the time when Bud McFarlane was leaving. The discussions with the president about this specific series of events had gone on under Mr. McFarlane during 1985 and the specific discussions of some of these things that led to the finding in January had actually started in December, while Mr. McFarlane was here.

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He was transferring out during the latter part of December and the early part of January. At that time, Adm. Poindexter came in.

So he knew about details of this operation but didn't tell anyone in the administration for --

Mr. McFarlane?

Yes.

He didn't learn of this, of the transactions involving the forces in Central America until probably April or May of 1986.

Why did he [illegible]thing to the president?

I don't k[illegible]

He did go [illegible] for the president --

He didn't --

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-- in May of that year, right? He was a representative of the president

That's correct. Whether he talked with the president during that period of time, I don't know.

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Well, why should the president take these people's advice, sir?

Well, because -- the president didn't just take these people's advice as to the overall policy. He had the advice of the entire range of his national security advisers.

Most of them advised against it.

All of his advisers . . . . two of -- some of whom advised against it, some of whom advised in favor of it.

Who else advised in favor of it besides members of the NSC?

As you know, I don't talk about who gives advice to the president.

The people who you say profited from this diversion of funds, these then are the people that we were working with, people perhaps that were even aboard the

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plane with Mr. McFarlane into Iran . . . .

No, no. The people who profited? I don't know that anyone profited. The fund --

In Israel, who you say --

I don't know that anyone in Israel --

-- owned the money that got diverted into --

The money that was transferred to the forces in Nicaragua -- I don't know that anyone who was involved in that transaction was necessarily on the plane with Mr. McFarlane. That's something we haven't gone into yet.

We now know of three specific shipments, unless I'm mistaken -- the one in late August, early September, as you've described it; one in November, which was returned to Israel; and then another one in May. The diversions of funds took place from which of these or all three of those?

There were several shipments -- there were, I believe, three or four shipments dur[illegible] 1986. I can't give you the precise dates. The transfer of

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funds were involved with at least one and possibly three of those shipments during the period from roughly January of 1986 or February through probably September of 1986.

Mr. Meese, Mr. [Eugene] Hasenfus is in jail in Nicaragua, as you know, for running supplies into Nicaragua to help the contras. Did his mission, can you now say, was it in any way funded by any of these diverted funds?

I have no knowledge and I doubt if we'll ever find out since we have no information about how those funds were used once they were ultimately received.

GRAPHIC: Photo, President Reagan steps aside as Attorney General Edwin Meese III prepares to speak to reporters at the White House. (President Reagan and

EXHIBIT OLN-16

STAIRS/VS AQUARIUS - DOCUMENTS PRINTED FROM DATA BASE: DIDY PAGE 17

DOCUMENT NUMBER = 861125184341

RECID	86112518431845 41
CREDATE	12/04/86
ACTIVITY	Phone call.
LOCATION	THE WHITE HOUSE WASHINGTON, D.C.
TEXT	The President talked with Oliver L. North, Deputy Director, Political-Military Affairs, National Security Council (NSC).
SUBCODE	TC
SUBJECT	Telephone.

COPY

EXHIBIT
OLN-16

EXHIBIT OLN-17

HAKIM LEDGER -[illegible]

06-29-87

PURPOSE	ACCOUNT	DATE	TYPE	TRANSACTION	DEBIT	CREDIT	BALANCE
INCOME	ENERGY RESOURCES	21-Dec-84	INCOME	CALERO		425,000.00	425,000.00
CONTRA	ENERGY RESOURCES	28-Dec-84	ARMS	TRANSWORLD ARMS	414,357.00		10,643.00
INCOME	ENERGY RESOURCES	07-Jan-85	INCOME	CALERO		96,450.00	107,093.00
CONTRA	ENERGY RESOURCES	16-Jan-85	ARMS	TRANSWORLD ARMS	90,000.00		17,093.00
INCOME	ENERGY RESOURCES	16-Jan-85	INCOME	CALERO		337,000.00	354,093.00
INCOME	ENERGY RESOURCES	17-Jan-85	INCOME	CALERO		326,543.00	680,636.00
CONTRA	ENERGY RESOURCES	22-Jan-85	ARMS	TRANSWORLD ARMS	400,000.00		280,636.00
INCOME	ENERGY RESOURCES	29-Jan-85	INCOME	CALERO		138,000.00	418,636.00
CAPITAL	ENERGY RESOURCES	18-Feb-85	CAPITAL	HAKIM (CASH)	5,000.00		413,636.00
CAPITAL	ENERGY RESOURCES	20-Feb-85	CAPITAL	HAKIM (CASH)	20,000.00		393,636.00
CAPITAL	ENERGY RESOURCES	20-Feb-85	CAPITAL	KOREL (CASH)	22,000.00		371,636.00
CAPITAL	ENERGY RESOURCES	25-Feb-85	CAPITAL	C. TEA (CASH)	15,000.00		356,636.00
OTHER	ENERGY RESOURCES	25-Feb-85	BUSINESS	BUSINESS EXPENSE	3,506.00		353,130.00
CAPITAL	ENERGY RESOURCES	28-Feb-85	SPECIAL	SCITECH - STTGI	8,000.00		345,130.00
INCOME	ENERGY RESOURCES	05-Mar-85	INCOME	CALERO		1,199,923.00	1,545,053.00
CONTRA	ENERGY RESOURCES	06-Mar-85	AIR OPS	SOUTHERN AIR TRANSPORT	121,825.00		1,423,228.00
CONTRA	ENERGY RESOURCES	07-Mar-85	ARMS	PORTUGAL ARMS SBS GVA	353,600.00		1,069,628.00
CONTRA	ENERGY RESOURCES	11-Mar-85	ARMS	PORTUGAL ARMS SBS GVA	415,649.00		653,979.00
INCOME	ENERGY RESOURCES	14-Mar-85	INCOME	CALERO		499,909.00	1,153,888.00
CONTRA	ENERGY RESOURCES	19-Mar-85	ARMS	TRANSWORLD ARMS	600,000.00		553,888.00
UNKNOWN	ENERGY RESOURCES	20-Mar-85	UNKNOWN	HAKIM	3,000.00		550,888.00
OTHER	ENERGY RESOURCES	20-Mar-85	BUSINESS	KOREL BUSINESS EXPENSE [illegible]VS (SECORD)	5,000.00		545,888.00
CAPITAL	ENERGY RESOURCES	20-Mar-85	CAPITAL	HAKIM	3,000.00		542,888.00
CAPITAL	ENERGY RESOURCES	25-Mar-85	CAPITAL	HAKIM	3,000.00		539,888.00
INCOME	ENERGY RESOURCES	29-Mar-85	INCOME	CALERO		2,999,922.00	3,539,810.00
CAPITAL	ENERGY RESOURCES	02-Apr-85	CAPITAL	HAKIM CASH WITHDRAWAL	5,000.00		3,534,810.00
CAPITAL	ENERGY RESOURCES	03-Apr-85	CAPITAL	C. TEA	20,000.00		3,514,810.00
CONTRA	ENERGY RESOURCES	03-Apr-85	ARMS	PORTUGAL ARMS SBS GVA	300,000.00		3,214,810.00
CAPITAL	ENERGY RESOURCES	03-Apr-85	CAPITAL	KOREL (SECORD)	7,000.00		3,207,810.00
CAPITAL	ENERGY RESOURCES	05-Apr-85	CAPITAL	HAKIM	10,000.00		3,197,810.00
CAPITAL	ENERGY RESOURCES	09-Apr-85	CAPITAL	HAKIM TRANSFER	12,800.00		3,185,010.00
CAPITAL	ENERGY RESOURCES	09-Apr-85	CAPITAL	HAKIM	7,000.00		3,178,010.00
INCOME	ENERGY RESOURCES	10-Apr-85	INCOME	CALERO		1,999,904.00	5,177,914.00
CONTRA	ENERGY RESOURCES	10-Apr-85	AIR OPS	QUINTERO, R.	5,000.00		5,172,914.00
CAPITAL	ENERGY RESOURCES	11-Apr-85	CAPITAL	KOREL - TOM GREEN FINDERS FEE	45,000.00		5,127,914.00
CAPITAL	ENERGY RESOURCES	11-Apr-85	SPECIAL	SCITECH - STTGI	30,000.00		5,097,914.00
CONTRA	ENERGY RESOURCES	10-Apr-85	ARMS	TRANSWORLD ARMS	67,444.00		5,030,470.00
CAPITAL	ENERGY RESOURCES	12-Apr-85	CAPITAL	KOREL (SECORD)	118,336.00		4,912,134.00
UNKNOWN	ENERGY RESOURCES	12-Apr-85	UNKNOWN	LEGAL FEES	18,000.00		4,894,134.00
CAPITAL	ENERGY RESOURCES	12-Apr-85	CAPITAL	KOREL (SECORD)	101,927.00		4,792,207.00
CAPITAL	ENERGY RESOURCES	16-Apr-85	CAPITAL	HAKIM (TRANSFER)	50,000.00		4,742,207.00
CAPITAL	ENERGY RESOURCES	16-Apr-85	CAPITAL	C. TEA	20,000.00		4,722,207.00
CAPITAL	ENERGY RESOURCES	16-Apr-85	CAPITAL	HAKIM	3,000.00		4,719,207.00
CAPITAL	ENERGY RESOURCES	15-Apr-85	CAPITAL	HAKIM TRANSFER TO R. GOODING	37,030.00		4,682,177.00
CONTRA	ENERGY RESOURCES	17-Apr-85	ARMS	PORTUGAL ARMS SBS GVA	150,000.00		4,532,177.00
CAPITAL	ENERGY RESOURCES	18-Apr-85	SPECIAL	SCITECH - STTGI	8,500.00		4,523,677.00
CAPITAL	ENERGY RESOURCES	19-Apr-85	CAPITAL	C. TEA (CASH)	15,000.00		4,508,677.00
INCOME	ENERGY RESOURCES	23-Apr-85	INCOME	CALERO		1,199,906.00	5,708,583.00
CAPITAL	ENERGY RESOURCES	25-Apr-85	CAPITAL	SCITECH BUSINESS EXPENSE R. PHILLIPS	5,000.00		5,703,583.00
UNKNOWN	ENERGY RESOURCES	25-Apr-85	UNKNOWN	CAR INC	1,000.00		5,702,583.00
CONTRA	ENERGY RESOURCES	25-Apr-85	ARMS	PORTUGAL ARMS PVS	10,000.00		5,692,583.00

HAKIM LEDGER CHRONOLOGICALLY

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PURPOSE	ACCOUNT	DATE	TYPE	TRANSACTION	DEBIT	CREDIT	BALANCE
CONTRA	ENERGY RESOURCES	25-Apr-85	AIR OPS	QUINTERO, R.	4,000.00		5,686,583.00
CONTRA	ENERGY RESOURCES	25-Apr-85	ARMS	PORTUGAL ARMS PVS	1,556,400.00		4,132,183.00
INCOME	ENERGY RESOURCES	29-Apr-85	INCOME	CALERO		246,402.00	4,378,585.00
CONTRA	ENERGY RESOURCES	29-Apr-85	ARMS	PORTUGAL DEFEX ARMS	21,907.00		4,356,678.00
CONTRA	ENERGY RESOURCES	06-May-85	ARMS	PORTUGAL ARMS SBS GVA	2,491,700.00		1,864,978.00
CAPITAL	ENERGY RESOURCES	06-May-85	CAPITAL	KOREL (SECORD)	5,000.00		1,859,978.00
CAPITAL	ENERGY RESOURCES	05-May-85	CAPITAL	HAKIM	3,000.00		1,856,978.00
CAPITAL	ENERGY RESOURCES	07-May-85	CAPITAL	C. TEA	116,000.00		1,740,978.00
CONTRA	ENERGY RESOURCES	08-May-85	ARMS	PORTUGAL DEFEX	60,000.00		1,680,978.00
CAPITAL	ENERGY RESOURCES	09-May-85	SPECIAL	SCITECH - STIGI	28,753.00		1,652,225.00
CONTRA	ENERGY RESOURCES	09-May-85	ARMS	PORTUGAL DEFEX	24,000.00		1,628,225.00
CAPITAL	ENERGY RESOURCES	17-May-85	CAPITAL	C. TEA	90,000.00		1,538,225.00
INCOME	ENERGY RESOURCES	21-May-85	INCOME	CALERO		80,201.00	1,618,426.00
CAPITAL	ENERGY RESOURCES	21-May-85	CAPITAL	HAKIM	250,000.00		1,368,426.00
CONTRA	ENERGY RESOURCES	22-May-85	AIR OPS	QUINTERO, R.	15,277.00		1,353,149.00
CAPITAL	ENERGY RESOURCES	24-May-85	CAPITAL	HAKIM	224.00		1,352,925.00
CONTRA	ENERGY RESOURCES	30-May-85	ARMS	TRANSWORLD ARMS	8,000.00		1,344,925.00
CONTRA	ENERGY RESOURCES	30-May-85	ARMS	PORTUGAL ARMS SBS GVA	57,500.00		1,287,425.00
INCOME	ENERGY RESOURCES	31-May-85	INCOME	CALERO		299,848.00	1,587,273.00
CAPITAL	ENERGY RESOURCES	[illegible]-Jun-85	CAPITAL	HAKIM	30,000.00		1,557,273.00
CAPITAL	ENERGY RESOURCES	10-Jun-85	CAPITAL	HAKIM	5,000.00		1,552,273.00
OTHER	ENERGY RESOURCES	11-Jun-85	[redacted]	HAKIM - MISC TO BANK OF KOREA	5,000.00		1,547,273.00
CAPITAL	ENERGY RESOURCES	18-Jun-85	[redacted]	SCITECH - STIGI	40,000.00		1,507,273.00
CAPITAL	ENERGY RESOURCES	18-Jun-85	CAPITAL	HAKIM	45,000.00		1,462,273.00
CAPITAL	OPEN	03-Jul-85	CAPITAL	KOREL	210.00		1,462,063.00
CAPITAL	ENERGY RESOURCES	03-Jul-85	CAPITAL	C. TEA	25,000.00		1,437,063.00
CAPITAL	ENERGY RESOURCES	03-Jul-85	CAPITAL	HAKIM	420.00		1,436,643.00
CAPITAL	ENERGY RESOURCES	05-Jul-85	CAPITAL	HAKIM	20,050.00		1,416,593.00
INCOME	ENERGY RESOURCES	05-Jul-85	INCOME	CALERO		549,918.00	1,966,511.00
CAPITAL	ENERGY RESOURCES	10-Jul-85	CAPITAL	SCITECH - K. PHILLIPS	4,000.00		1,962,511.00
CAPITAL	ENERGY RESOURCES	11-Jul-85	SPECIAL	SCITECH - STIGI	20,000.00		1,942,511.00
CONTRA	ENERGY RESOURCES	1[illegible]-Jul-85	ARMS	PORTUGAL ARMS SBS GVA	145,352.00		1,797,159.00
CAPITAL	ENERGY RESOURCES	15-Jul-85	CAPITAL	HAKIM	20,300.00		1,776,859.00
CAPITAL	ENERGY RESOURCES	16-Jul-85	CAPITAL	KOREL (SECORD)	2,500.00		1,774,359.00
CAPITAL	ENERGY RESOURCES	16-Jul-85	CAPITAL	C. TEA	206,090.00		1,568,269.00
CONTRA	ENERGY RESOURCES	16-Jul-85	AIR OPS	QUINTERO, R.	50,000.00		1,518,269.00
CAPITAL	ENERGY RESOURCES	16-Jul-85	CAPITAL	HAKIM (NOTE)	2,500.00		1,515,769.00
CONTRA	ENERGY RESOURCES	16-Jul-85	AIR OPS	QUINTERO, R.	7,819.00		1,507,950.00
INCOME	ENERGY RESOURCES	18-Jul-85	INCOME	CALERO		950,000.00	2,457,950.00
CAPITAL	ENERGY RESOURCES	19-Jul-85	CAPITAL	KOREL (SECORD)	7,000.00		2,450,950.00
UNKNOWN	ENERGY RESOURCES	19-Jul-85	UNKNOWN	LEGAL FEES	8,000.00		2,442,950.00
CONTRA	ENERGY RESOURCES	[illegible]-Jul-85	ARMS	PORTUGAL ARMS SBS GVA	200,000.00		2,242,950.00
UNKNOWN	ENERGY RESOURCES	2[illegible]-Jul-85	ARMS SPECIAL	DEFEX (FRIBOURG)	580,853.00		1,662,097.00
CAPITAL	ENERGY RESOURCES	2[illegible]-Jul-85	CAPITAL	HAKIM	75,000.00		1,587,097.00
CAPITAL	ENERGY RESOURCES	16-Aug-85	CAPITAL	HAKIM CASH	2,943.00		1,584,154.00
INCOME	LAKE RESOURCES	[illegible]-Aug-85	INCOME	JOSEPH COORS		65,000.00	1,649,154.00
CAPITAL	LAKE RESOURCES	25-Aug-85	CAPITAL	SCITECH	48,560.00		1,600,594.00
CAPITAL	LAKE RESOURCES	[illegible]5-Aug-85	CAPITAL	HAKIM CASH	10,000.00		1,590,594.00
CONTRA	LAKE RESOURCES	27-Aug-85	AIR OPS	QUINTERO, R.	4,000.00		1,586,594.00
CONTRA	LAKE RESOURCES	30-Aug-85	ARMS	MONZER ALKASSAR	1,000,000.00		586,594.00
CAPITAL	LAKE RESOURCES	0[illegible]-Sep-85	CAPITAL	HAKIM	7,000.00		579,594.00

HAKIM LEDGER (CHRONOLOGICAL) 06/29/87

PURPOSE	ACCOUNT	DATE	TYPE	TRANSACTION	DEBIT	CREDIT	BALANCE
OTHER	ENERGY RESOURCES	06-Sep-85	TRAVEL	HOTEL INTERCONTINENTAL	2,932.00		576,662.00
CONTRA	LAKE RESOURCES	11-Sep-85	AIRCRAFT	MAULE AIRCRAFT	59,000.00		517,662.00
CAPITAL	LAKE RESOURCES	12-Sep-85	SPECIAL	SCITECH - STIGI	15,050.00		502,612.00
CAPITAL	LAKE RESOURCES	13-Sep-85	SPECIAL	SCITECH - ABDUL RAHMAN	2,636.00		499,976.00
CONTRA	LAKE RESOURCES	13-Sep-85	AIR OPS	QUINTERO, R.	4,000.00		495,976.00
CAPITAL	LAKE RESOURCES	17-Sep-85	CAPITAL	KOREL - MASOUDI	2,000.00		493,976.00
CAPITAL	LAKE RESOURCES	17-Sep-85	CAPITAL	KOREL (SECORD)	10,000.00		483,976.00
INCOME	LAKE RESOURCES	20-Sep-85	INCOME	FUNDS FROM SAM LOEW		1,000,000.00	1,483,976.00
CAPITAL	LAKE RESOURCES	20-Sep-85	CAPITAL	SCITECH - K. PHILLIPS	2,000.00		1,481,976.00
CAPITAL	LAKE RESOURCES	23-Sep-85	CAPITAL	HAKIM	11,500.00		1,470,476.00
CAPITAL	LAKE RESOURCES	23-Sep-85	CAPITAL	HAKIM	9,500.00		1,460,976.00
CONTRA	LAKE RESOURCES	23-Sep-85	AIRCRAFT	MAULE AIRCRAFT	4,000.00		1,456,976.00
INCOME	LAKE RESOURCES	23-Sep-85	INCOME	IC		129,936.00	1,586,912.00
CONTRA	LAKE RESOURCES	23-Sep-85	AIR OPS	QUINTERO, R.	2,378.00		1,584,534.00
CAPITAL	LAKE RESOURCES	24-Sep-85	CAPITAL	HAKIM	5,000.00		1,579,534.00
CONTRA	LAKE RESOURCES	30-Sep-85	CONTRA	CALERO	175,000.00		1,404,534.00
CONTRA	LAKE RESOURCES	01-Oct-85	ARMS	PORTUGAL ARMS SBS GVA	301,498.00		1,103,036.00
CONTRA	LAKE RESOURCES	01-Oct-85	AIR OPS	QUINTERO, R.	4,000.00		1,099,036.00
CONTRA	LAKE RESOURCES	01-Oct-85	CONTRA	CALERO	25,000.00		1,074,036.00
CAPITAL	LAKE RESOURCES	01-Oct-85	CAPITAL	SCITECH	2,000.00		1,072,036.00
CAPITAL	LAKE RESOURCES	04-Oct-85	CAPITAL	HAKIM	1,500.00		1,070,536.00
INCOME	LAKE RESOURCES	11-Oct-85	INCOME	IC		99,948.00	1,170,484.00
CONTRA	LAKE RESOURCES	15-Oct-85	CONTRA	MASOUDI	5,000.00		1,165,484.00
CONTRA	LAKE RESOURCES	15-Oct-85	AIR OPS	QUINTERO, R.	4,000.00		1,161,484.00
CAPITAL	HYDE PARK SQUARE	15-Oct-85	CAPITAL	HAKIM CASH	2,000.00		1,159,484.00
OTHER	LAKE RESOURCES	19-Oct-85	TRAVEL	HOTEL INTERCONTINENTAL	4,812.00		1,154,672.00
CONTRA	LAKE RESOURCES	21-Oct-85	CONTRA	ROBELO	15,000.00		1,139,672.00
CONTRA	LAKE RESOURCES	21-Oct-85	AIRCRAFT	MAULE AIRCRAFT	50,225.00		1,089,447.00
CAPITAL	LAKE RESOURCES	23-Oct-85	CAPITAL	KOREL	9,000.00		1,080,447.00
CAPITAL	LAKE RESOURCES	25-Oct-85	CAPITAL	SCITECH - K. PHILLIPS	2,000.00		1,078,447.00
CAPITAL	LAKE RESOURCES	28-Oct-85	CAPITAL	HAKIM	102,000.00		976,447.00
INCOME	LAKE RESOURCES	04-Nov-85	INCOME	IC		149,916.00	1,126,363.00
CONTRA	LAKE RESOURCES	12-Nov-85	AIR OPS	QUINTERO, R.	902.00		1,125,461.00
CAPITAL	LAKE RESOURCES	12-Nov-85	CAPITAL	KOREL CASH WITHDRAWAL	7,000.00		1,118,461.00
CAPITAL	LAKE RESOURCES	14-Nov-85	CAPITAL	HAKIM TRANSFER	43,030.00		1,075,431.00
CAPITAL	LAKE RESOURCES	14-Nov-85	CAPITAL	SCITECH TRANSFER	67,340.00		1,008,091.00
CAPITAL	LAKE RESOURCES	15-Nov-85	CAPITAL	HAKIM TRANSFER TO SERFID	20,000.00		988,091.00
CONTRA	LAKE RESOURCES	15-Nov-85	CONTRA	ROBELO	15,000.00		973,091.00
CAPITAL	LAKE RESOURCES	15-Nov-85	CAPITAL	HAKIM	25,000.00		948,091.00
CONTRA	LAKE RESOURCES	18-Nov-85	AIRCRAFT	ACE	450,630.00		497,461.00
INCOME	LAKE RESOURCES	20-Nov-85	INCOME	FUNDS FROM ISRAEL — NIMRODI		1,000,000.00	1,497,461.00
UNKNOWN	LAKE RESOURCES	21-Nov-85	UNKNOWN	LEGAL FEES	7,500.00		1,489,961.00
CONTRA	LAKE RESOURCES	22-Nov-85	ARMS	PORTUGAL ARMS SBS GVA	100,000.00		1,389,961.00
CAPITAL	LAKE RESOURCES	22-Nov-85	CAPITAL	HAKIM	21,470.00		1,368,491.00
CONTRA	LAKE RESOURCES	25-Nov-85	AIR OPS	QUINTERO, R.	4,000.00		1,364,491.00
IRAN	LAKE RESOURCES	29-Nov-85	AIR	SANTA LUCIA AIRWAYS	127,700.00		1,236,791.00
CAPITAL	LAKE RESOURCES	02-Dec-85	CAPITAL	HAKIM	4,000.00		1,232,791.00
CAPITAL	LAKE RESOURCES	03-Dec-85	CAPITAL	HAKIM	9,529.00		1,273,262.00
CONTRA	CSF INVESTMENT	10-Dec-85	AIR OPS	SOUTHERN AIR TRANSPORT	60,000.00		1,163,262.00
CONTRA	CSF INVESTMENT	13-Dec-85	ARMS	PORTUGAL ARMS SBS GVA	300,000.00		863,262.00
IRAN	CSF INVESTMENT	16-Dec-85	AIR TRANSPORT	AEROLEASING	21,983.00		841,279.00

HAKIM LEDGER ([illegible])

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PURPOSE	ACCOUNT	DATE	TYPE	TRANSACTION	DEBIT	CREDIT	BALANCE
CAPITAL	LAKE RESOURCES	16-Dec-85	CAPITAL	HAKIM	2,586.00		838,893.00
INCOME	LAKE RESOURCES	17-Dec-85	INCOME	I[illegible]		299,903.00	1,138,796.00
CAPITAL	CSF INVESTMENT	17-Dec-85	CAPITAL	C. TEA	50,400.00		1,088,396.00
CAPITAL	CSF INVESTMENT	17-Dec-85	CAPITAL	HAKIM	100,800.00		987,596.00
CAPITAL	CSF INVESTMENT	17-Dec-85	CAPITAL	KUREL	100,800.00		886,796.00
CAPITAL	CSF INVESTMENT	17-Dec-85	CAPITAL	HAKIM	82,031.00		804,765.00
CONTRA	CSF INVESTMENT	17-Dec-85	AIR OPS	QUINTERO (BUSINESS EXPENSE)	10,000.00		794,765.00
OTHER	CSF INVESTMENT	17-Dec-85	BUSINESS	BUSINESS EXPENSE	50,000.00		744,765.00
CONTRA	CSF INVESTMENT	18-Dec-85	AIR OPS	SOUTHERN AIR TRANSPORT	58,500.00		686,265.00
CONTRA	LAKE RESOURCES	18-Dec-85	AIR OPS	MONTERO, J.	2,540.00		683,725.00
CONTRA	CSF INVESTMENT	27-Dec-85	AIR OPS	EAST INC	100,500.00		583,225.00
CONTRA	CSF INVESTMENT	07-Jan-86	AIR OPS	QUINTERO, R.	4,000.00		579,225.00
UNKNOWN	CSF INVESTMENT	08-Jan-86	BUSINESS	MANAGEMENT FEES	882.00		578,343.00
CONTRA	CSF INVESTMENT	08-Jan-86	AIRFIELD	JOSEPH HAMILTON (PURCHASE OF AIRFIELD)	125,000.00		453,343.00
INCOME	LAKE RESOURCES	10-Jan-86	DEPOSIT	MILLER COMMUNICATIONS		60,000.00	513,343.00
CONTRA	CSF INVESTMENT	[illegible]-Jan-86	CONTRA	ROBELO	10,000.00		503,343.00
CONTRA	CSF INVESTMENT	15-Jan-86	AIRCRAFT	MAULE AIRCRAFT	5,100.00		498,243.00
CAPITAL	CSF INVESTMENT	21-Jan-86	CAPITAL	HAKIM (HOWARD RICE)	20,000.00		478,243.00
CONTRA	CSF INVESTMENT	22-Jan-86	AIRCRAFT	ACE	230,000.00		248,243.00
INCOME	LAKE RESOURCES	22-Jan-86	INCOME	IBC		360,000.00	608,243.00
CONTRA	CSF INVESTMENT	22-Jan-86	AIR OPS	SOUTHERN AIR TRANSPORT	20,000.00		588,243.00
UNKNOWN	LAKE RESOURCES	27-Jan-86	ARMS SPECIAL	DEFEX (FRIBOURG)	26,174.00		562,069.00
CONTRA	CSF INVESTMENT	30-Jan-86	AIR OPS	QUINTERO, R.	4,000.00		558,069.00
CONTRA	CSF INVESTMENT	31-Jan-86	AIRCRAFT	ACE	150,000.00		408,069.00
CONTRA	CSF INVESTMENT	03-Feb-86	AIRCRAFT	MAULE AIRCRAFT	50,535.00		357,534.00
CAPITAL	CSF INVESTMENT	06-Feb-86	CAPITAL	S-ITECH (ADVANCE)	100,000.00		257,534.00
CAPITAL	CSF INVESTMENT	07-Feb-86	CAPITAL	HAKIM (ADVANCE)	165,000.00		92,534.00
INCOME	LAKE RESOURCES	07-Feb-86	INCOME	FUNDS FROM KASHOGGI		2,500,000.00	2,592,534.00
IRAN	LAKE RESOURCES	10-Feb-86	ARMS	CIA	1,850,000.00		742,534.00
INCOME	LAKE RESOURCES	10-Feb-86	INCOME	FUNDS FROM KASHOGGI		2,500,000.00	3,242,534.00
IRAN	LAKE RESOURCES	10-Feb-86	ARMS	CIA	1,850,000.00		1,392,534.00
CAPITAL	CSF INVESTMENT	12-Feb-86	CAPITAL	KOREL	35,000.00		1,357,534.00
CONTRA	LAKE RESOURCES	14-Feb-86	AIR OPS	EAST INC	10,000.00		1,347,534.00
IRAN	LAKE RESOURCES	17-Feb-86	AIR	BANK OF OTSAR TA	31,500.00		1,316,034.00
CONTRA	LAKE RESOURCES	17-Feb-86	AIR OPS	MONTERO, J	10,417.00		1,305,617.00
CAPITAL	CSF INVESTMENT	17-Feb-86	CAPITAL	KUREL (ADVANCE)	165,000.00		1,140,617.00
OTHER	LAKE RESOURCES	17-Feb-86	BUSINESS	BUSINESS EXPENSE CASH	300.00		1,140,317.00
CONTRA	LAKE RESOURCES	17-Feb-86	CONTRA	CRUZ	3,500.00		1,136,817.00
CONTRA	LAKE RESOURCES	17-Feb-86	CONTRA	ROBELO	10,000.00		1,126,817.00
CAPITAL	ALBON VALUES	17-Feb-86	CAPITAL	C. TEA	15,000.00		1,111,817.00
IRAN	CSF INVESTMENT	17-Feb-86	AIR OPS	SOUTHERN AIR TRANSPORT	270,000.00		841,817.00
OTHER	LAKE RESOURCES	17-Feb-86	TRAVEL	HOTEL INTERCONTINENTAL	665.00		841,152.00
UNKNOWN	LAKE RESOURCES	18-Feb-86	UNKNOWN	CASH WITHDRAWAL	50,125.00		791,027.00
INCOME	LAKE RESOURCES	18-Feb-86	INCOME	FUNDS FROM KASHOGGI		5,000,000.00	5,791,027.00
INCOME	LAKE RESOURCES	18-Feb-86	INCOME	FUNDS FROM SAM LOEW		1,000,000.00	6,791,027.00
CAPITAL	CSF INVESTMENT	20-Feb-86	CAPITAL	HAKIM	1,351.00		6,789,676.00
CONTRA	CSF INVESTMENT	20-Feb-86	AIR OPS	EAST INC	20,000.00		6,769,676.00
CAPITAL	CSF INVESTMENT	26-Feb-86	CAPITAL	KUREL - SHARP GREEN AND LANGFORD	1,671.00		6,768,005.00
IRAN	LAKE RESOURCES	26-Feb-86	AIR OPS	SOUTHERN AIR TRANSPORT	240,000.00		6,528,005.00
CONTRA	CSF INVESTMENT	26-Feb-86	AIR OPS	QUINTERO, R.	5,000.00		6,523,005.00
CONTRA	CSF INVESTMENT	27-Feb-86	AIR OPS	EAST INC	92,440.00		6,430,565.00

[illegible] LEDGER CHRONOLOGY [illegible]

[illegible]/87

PURPOSE	ACCOUNT	DATE	TYPE	TRANSACTION	DEBIT	CREDIT	BALANCE
CONTRA	CSF INVESTMENT	[illegible]-Feb-86	ARMS	PORTUGAL ARMS SBS GVA	222,000.00		6,208,565.00
CONTRA	CSF INVESTMENT	28-Feb-86	AIRCRAFT	MAULE AIRCRAFT	4,578.00		6,203,987.00
CONTRA	CSF INVESTMENT	03-Mar-86	AIR OPS	MONTERO, J	30,000.00		6,173,987.00
CONTRA	CSF INVESTMENT	04-Mar-86	AIR OPS	MONTERO, J	21,000.00		6,152,987.00
CONTRA	LAKE RESOURCES	05-Mar-86	AIR OPS	SOUTHERN AIR TRANSPORT	50,000.00		6,102,987.00
CAPITAL	GULF MARKETING	05-Mar-86	CAPITAL	HAKIM (CAPITAL INVESTMENT ACCT)	2,000,000.00		4,102,987.00
CONTRA	GULF MARKETING	05-Mar-86	AIR OPS	MONTERO, J.	30,000.00		4,072,987.00
OTHER	ALBON VALUES	06-Mar-86	BUSINESS	[illegible]	15,000.00		4,057,987.00
IRAN	LAKE RESOURCES	10-Mar-86	BUSINESS	TRANSFER TO ISRAEL	100,000.00		3,957,987.00
CONTRA	GULF MARKETING	17-Mar-86	AIRCRAFT	ACE	475,000.00		3,482,987.00
CAPITAL	GULF MARKETING	18-Mar-86	CAPITAL	HAKIM CASH	28,000.00		3,454,987.00
CONTRA	LAKE RESOURCES	18-Mar-86	CONTRA	ROBELO	10,000.00		3,444,987.00
CAPITAL	GULF MARKETING	18-Mar-86	CAPITAL	HAKIM CASH	50,000.00		3,394,987.00
CONTRA	GULF MARKETING	21-Mar-86	AIR OPS	SOUTHERN AIR TRANSPORT	71,000.00		3,323,987.00
CONTRA	GULF MARKETING	21-Mar-86	AIRCRAFT	ACE	29,000.00		3,294,987.00
CONTRA	CSF INVESTMENT	25-Mar-86	AIR OPS	QUINTERO, R.	10,000.00		3,284,987.00
CONTRA	GULF MARKETING	03-Apr-86	AIR OPS	SOUTHERN AIR TRANSPORT (partial payment)	264,813.00		3,020,174.00
CONTRA	GULF MARKETING	[illegible]-Apr-86	AIR OPS	QUINTERO, R.	28,000.00		2,992,174.00
CONTRA	GULF MARKETING	03-Apr-86	AIR OPS	SOUTHERN AIR TRANSPORT partial payment	135,187.00		2,856,987.00
CONTRA	GULF MARKETING	07-Apr-86	ARMS	PORTUGAL ARMS SBS GVA	93,120.00		2,763,867.00
CONTRA	GULF MARKETING	10-[illegible]-86	ARMS	PORTUGAL ARMS SBS GVA	136,137.00		2,627,730.00
CONTRA	GULF MARKETING	14-Apr-86	AIR OPS	EAST INC	30,000.00		2,597,730.00
CONTRA	GULF MARKETING	14-Apr-86	AIR OPS	SOUTHERN AIR TRANSPORT	150,000.00		2,447,730.00
INCOME	LAKE RESOURCES	15-Apr-86	INCOME			47,974.00	2,495,704.00
INCOME	LAKE RESOURCES	15-Apr-86	INCOME	IDC		649,853.00	3,145,557.00
OTHER	ALBON VALUES	17-Apr-86	BUSINESS	DIRECTORS FEES CIE SERFID	2,673.00		3,142,884.00
CAPITAL	HYDE PARK SQUARE	17-Apr-86	CAPITAL	HAKIM	3,000.00		3,139,884.00
CAPITAL	ALBON VALUES	17-Apr-86	CAPITAL	HAKIM	72,580.00		3,067,304.00
OTHER	HYDE PARK SQUARE	17-Apr-86	BUSINESS	DIRECTORS FEES	2,750.00		3,064,554.00
CONTRA	UDALL	17-Apr-86	AIR OPS	EAST INC	100,357.00		2,964,197.00
CAPITAL	UDALL	17-Apr-86	SPECIAL	HAKIM - SHARP GREEN AND LANGFORD	294.00		2,963,903.00
CONTRA	UDALL	17-Apr-86	AIR OPS	SOUTHERN AIR TRANSPORT	200,000.00		2,763,903.00
CAPITAL	ALBON VALUES	17-Apr-86	CAPITAL	HAKIM	15,000.00		2,748,903.00
UNKNOWN	ALBON VALUES	17-Apr-86	ARMS-SPECIAL	DEFEX	161,000.00		2,587,903.00
CONTRA	ALBON VALUES	18-Apr-86	AIRCRAFT	ACE	57,022.00		2,530,881.00
CONTRA	UDALL	18-Apr-86	AIR	AERO CONTRACTORS LTD	19,635.00		2,511,246.00
CAPITAL	ALBON VALUES	[illegible]-Apr-86	SPECIAL	HAKIM - STANFORD TECHNOLOGY	20,000.00		2,491,246.00
CONTRA	UDALL	21-Apr-86	AIR OPS	SOUTHERN AIR TRANSPORT	120,000.00		2,371,246.00
CAPITAL	ALBON VALUES	28-Apr-86	CAPITAL	KUREL	28,111.00		2,343,135.00
CAPITAL	ALBON VALUES	28-Apr-86	CAPITAL	HAKIM	4,975.00		2,338,160.00
IRAN	ALBON VALUES	28-Apr-86	AIR	MENO EYTAN	185,000.00		2,153,160.00
CONTRA	ALBON VALUES	29-Apr-86	AIR OPS	QUINTERO, R.	5,000.00		2,148,160.00
CONTRA	ALBON VALUES	30-Apr-86	CONTRA	ROBELO	10,000.00		2,138,160.00
CONTRA	ALBON VALUES	30-Apr-86	CONTRA	CRUZ	7,000.00		2,131,160.00
SHIP	DOLMY	01-May-86	SHIP EXPENSES	CIE SERVID	6,406.00		2,124,754.00
SHIP	DOLMY	01-May-86	SHIP	SHIP	31,098.00		2,093,656.00
CAPITAL	ALBON VALUES	02-May-86	CAPITAL	HAKIM	943.00		2,092,713.00
CAPITAL	ALBON	02-May-86	CAPITAL	C. TEA	2,275.00		2,090,438.00
SPECIAL	ALBON VALUES	05-May-86	ISLAND	NORTH TRUST BANK MOTAROLA	100,000.00		1,990,438.00
CAPITAL	ALBON VALUES	05-May-86	SPECIAL	SCITECH - SITGI	15,000.00		1,975,438.00
CONTRA	ALBON VALUES	05-May-86	PILOTS	GALDEN'S CLIENT - PILOTS DAVID WALKER	110,000.00		1,865,438.00

HAKIM LEDGER [illegible]

PURPOSE	ACCOUNT	DATE	TYPE	TRANSACTION	DEBIT	CREDIT	BALANCE
SHIP	DOLMY	07-May-86	SHIP EXPENSES	CHARTERING (ADVANCE)	8,000.00		1,857,438.00
SHIP	DOLMY	07-May-86	SHIP EXPENSES	CAPTAIN ARNE HERUP (CASH ADVANCE)	5,000.00		1,852,438.00
SHIP	DOLMY	07-May-86	SHIP	SHIP (ADVANCE)	290,464.00		1,561,974.00
OTHER	ALBON VALUES	12-May-86	BUSINESS	TRIP - TRAVEL	2,793.00		1,559,181.00
OTHER	ALBON VALUES	13-May-86	BUSINESS	TRIP - TRAVEL	3,000.00		1,556,181.00
INCOME	LAKE RESOURCES	14-May-86	INCOME	FUNDS FROM KASHOGGI		10,000,000.00	11,556,181.00
OTHER	ALBON VALUES	14-May-86	BUSINESS	TOD COBELIS (AM EXP)	101,500.00		11,454,681.00
OTHER	ALBON VALUES	15-May-86	BUSINESS	BUSINESS EXPENSE	2,778.00		11,451,903.00
SPECIAL	ALBON VALUES	15-May-86	CYPRESS	BILL/GREG/AVE DEA TO CYPRESS	30,150.00		11,421,753.00
IRAN	HYDE PARK SQUARE	15-May-86	ARMS	CIA	6,500,000.00		4,921,753.00
INCOME	LAKE RESOURCES	16-May-86	INCOME	FUNDS FROM KASHOGGI		5,000,000.00	9,921,753.00
INCOME	LAKE RESOURCES	16-May-86	INCOME	FUNDS FROM ISRAEL		1,460,000.00	11,381,753.00
CAPITAL	ALBON VALUES	16-May-86	CAPITAL	SCITECH TRIAMERICAN ARMS	150,000.00		11,231,753.00
OTHER	GULF MARKETING	20-May-86	BUSINESS	DIRECTORS FEES CSF INV 640101	2,500.00		11,229,253.00
CONTRA	UDALL	20-May-86	AIR OPS	EAST INC	84,894.00		11,144,359.00
CAPITAL	ALBON VALUES	20-May-86	CAPITAL	SCITECH	8,833.00		11,135,526.00
CAPITAL	ALBON VALUES	20-May-86	CAPITAL	KUREL	26,490.00		11,109,036.00
OTHER	TOYCO	20-May-86	BUSINESS	DIRECTORS FEES	2,740.00		11,106,296.00
SHIP	DOLMY	20-May-86	SHIP	CURRENCY INSURANCE (ADVANCE)	52,904.00		11,053,392.00
CAPITAL	ALBON VALUES	20-May-86	CAPITAL	C. TEA	26,490.00		11,026,902.00
CONTRA	UDALL	20-May-86	AIRCRAFT	ACE	102,411.00		10,924,491.00
CAPITAL	HYDE PARK SQUARE	20-May-86	CAPITAL	BUTTON	200,000.00		10,724,491.00
CONTRA	TOYCO	20-May-86	ARMS	PORTUGAL ARMS SBS GVA (ACCT 67 666 BA)	13,150.00		10,711,341.00
CAPITAL	ALBON VALUES	20-May-86	CAPITAL	HAKIM	26,490.00		10,684,851.00
CAPITAL	HYDE PARK SQUARE	21-May-86	CAPITAL	HAKIM	60,300.00		10,624,551.00
SHIP	DOLMY	21-May-86	SHIP EXPENSES	CAPTAIN ARNE HERUP (CASH ADVANCE)	5,012.00		10,619,539.00
CONTRA	ALBON VALUES	21-May-86	AIR OPS	SOUTHERN AIR TRANSPORT L100	55,000.00		10,564,539.00
CONTRA	ALBON VALUES	21-May-86	AIR OPS	SOUTHERN AIR TRANSPORT JET STAR	50,000.00		10,514,539.00
CONTRA	ALBON VALUES	21-May-86	AIR OPS	SOUTHERN AIR TRANSPORT REFUEL	40,000.00		10,474,539.00
CAPITAL	GULF MARKETING	21-May-86	CAPITAL	HAKIM	10,000.00		10,464,539.00
CAPITAL	HYDE PARK SQUARE	22-May-86	CAPITAL	SCITECH	100,000.00		10,364,539.00
IRAN	HYDE PARK SQUARE	22-May-86	AIR TRANSPORT	AEROLEASING	33,471.00		10,331,068.00
CIA	HYDE PARK SQUARE	23-May-86	ARMS	PORTUGAL ARMS SBS GVA	200,000.00		10,131,068.00
IRAN	HYDE PARK SQUARE	23-May-86	AIR OPS	SOUTHERN AIR TRANSPORT	410,000.00		9,721,068.00
CAPITAL	HYDE PARK SQUARE	23-May-86	CAPITAL	HAKIM	500,000.00		9,221,068.00
CIA	HYDE PARK SQUARE	23-May-86	ARMS	PORTUGAL ARMS SBS GVA	200,000.00		9,021,068.00
SHIP	DOLMY	23-May-86	SHIP EXPENSES	ALOMERIT SERVICES MARITIME	20,000.00		9,001,068.00
UNKNOWN	HYDE PARK SQUARE	23-May-86	UNKNOWN	CASH (GENERAL EXPENSES)	2,144.00		8,998,924.00
OTHER	HYDE PARK SQUARE	27-May-86	BUSINESS	BUSINESS EXPENSE	26,653.00		8,972,271.00
CAPITAL	TOYCO	27-May-86	CAPITAL	HAKIM	10,000.00		8,962,271.00
IRAN	HYDE PARK SQUARE	28-May-86	AIR OPS	SOUTHERN AIR TRANSPORT	200,000.00		8,762,271.00
OTHER	HYDE PARK SQUARE	28-May-86	BUSINESS	BUSINESS EXPENSE	1,604.00		8,760,667.00
CAPITAL	HYDE PARK SQUARE	28-May-86	SPECIAL	SCITECH - SITGI	43,847.00		8,716,820.00
SHIP	HYDE PARK SQUARE	28-May-86	SHIP	CURRENCY EXCHANGE	26,525.00		8,690,295.00
CAPITAL	TOYCO	03-Jun-86	CAPITAL	HAKIM	79,167.00		8,611,128.00
CAPITAL	TOYCO	[illegible]-Jun-86	CAPITAL	C. TEA	79,167.00		8,531,961.00
OTHER	HYDE PARK SQUARE	03-Jun-86	BUSINESS	BUSINESS EXPENSE	1,000.00		8,530,961.00
CAPITAL	TOYCO	03-Jun-86	CAPITAL	HIREL	79,167.00		8,451,794.00
CAPITAL	TOYCO	03-Jun-86	CAPITAL	SCITECH	26,390.00		8,425,404.00
SHIP	DOLMY	05-Jun-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	3,125.00		8,422,279.00
SHIP	DOLMY	05-Jun-86	SHIP EXPENSES	CREW WAGES - CHIEF COOK AND MATE	5,500.00		8,416,779.00

HAKIM LEDGER [illegible]

PURPOSE	ACCOUNT	DATE	TYPE	TRANSACTION	DEBIT	CREDIT	BALANCE
CONTRA	ALBON VALUES	06-Jun-86	CONTRA	CRUZ	7,000.00		8,409,779.00
CONTRA	ALBON VALUES	06-Jun-86	AIR OPS	QUINTERO, R.	5,000.00		8,404,779.00
CONTRA	ALBON VALUES	06-Jun-86	CONTRA	ROBELO	10,000.00		8,394,779.00
IRAN	HYDE PARK SQUARE	05-Jun-86	AIR TRANSPORT	AEROLEASING,	76,488.00		8,318,291.00
OTHER	ALBON VALUES	07-Jun-86	BUSINESS	KLINIC [illegible] (HEALTH)	2,294.00		8,315,997.00
SHIP	DOLMY	12-Jun-86	SHIP	SHIP OPERATING EXPENSES	1,293.00		8,314,704.00
CONTRA	TOYCO	16-Jun-86	AIR OPS	QUINTERO, R.	10,000.00		8,304,704.00
UNKNOWN	GULF MARKETING	16-Jun-86	UNKNOWN	CSF INV 640601	2,548.00		8,302,156.00
UNKNOWN	GULF MARKETING	16-Jun-86	UNKNOWN	CLOSING ENTRY	15,222.00		8,286,934.00
CAPITAL	HYDE PARK SQUARE	18-Jun-86	CAPITAL	HAKIM	200,000.00		8,086,934.00
CONTRA	HYDE PARK SQUARE	18-Jun-86	AIR OPS	SOUTHERN AIR TRANSPORT	242,000.00		7,844,934.00
CONTRA	ALBON VALUES	18-Jun-86	AIR OPS	MONTERO, J	48,525.00		7,796,409.00
CAPITAL	HYDE PARK SQUARE	18-Jun-86	CAPITAL	HAKIM	2,000,000.00		5,796,409.00
CAPITAL	TOYCO	20-Jun-86	CAPITAL	HOREL	11,183.00		5,785,226.00
CONTRA	TOYCO	20-Jun-86	ARMS	MONZER ALKASSAR	500,000.00		5,285,226.00
CONTRA	ALBON VALUES	20-Jun-86	AIR OPS	SOUTHERN AIR TRANSPORT	25,000.00		5,260,226.00
CAPITAL	TOYCO	20-Jun-86	CAPITAL	HAKIM	11,183.00		5,249,043.00
CAPITAL	TOYCO	20-Jun-86	CAPITAL	C. TEA	11,183.00		5,237,860.00
CAPITAL	TOYCO	20-Jun-86	CAPITAL	SCITECH	3,728.00		5,234,132.00
SHIP	DOLMY	26-Jun-86	SHIP EXPENSES	CHARTERING SERVICES	6,425.00		5,227,707.00
CONTRA	UDALL	27-Jun-86	AIR	CORPORATE AIR SERVICES	58,000.00		5,169,707.00
CONTRA	HYDE PARK SQUARE	30-Jun-86	CONTRA	ROBELO	10,000.00		5,159,707.00
SHIP	DOLMY	30-Jun-86	SHIP EXPENSES	CHARTERING SERVICES	3,454.00		5,156,253.00
CONTRA	HYDE PARK SQUARE	30-Jun-86	CONTRA	CRUZ	7,000.00		5,149,253.00
CONTRA	HYDE PARK SQUARE	30-Jun-86	AIR OPS	QUINTERO, R.	5,000.00		5,144,253.00
CAPITAL	UDALL	30-Jun-86	SPECIAL	SCITECH - STTGI	30,000.00		5,114,253.00
IRAN	ALBON VALUES	01-Jul-86	STUDY	ERIC ZUCKER CASH	1,000.00		5,113,253.00
CONTRA	TOYCO	01-Jul-86	AIR OPS	SOUTHERN AIR TRANSPORT	200,000.00		4,913,253.00
CIA	TOYCO	01-Jul-86	ARMS	PORTUGAL ARMS SBS GVA (ACCT 67 666 BA)	845,000.00		4,068,253.00
CONTRA	UDALL	07-Jul-86	AIR OPS	SOUTHERN AIR TRANSPORT	11,040.00		4,057,213.00
CAPITAL	UDALL	07-Jul-86	SPECIAL	SCITECH - STTGI	21,476.00		4,035,737.00
CONTRA	HYDE PARK SQUARE	07-Jul-86	AIR OPS	EAST INC	61,304.00		3,974,433.00
IRAN	HYDE PARK SQUARE	07-Jul-86	FEES	LANKARANI, JILA	2,500.00		3,971,933.00
SHIP	DOLMY	08-Jul-86	SHIP EXPENSES	CHARTERING SERVICES	15,500.00		3,956,433.00
SHIP	DOLMY	09-Jul-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	3,125.00		3,953,308.00
SHIP	ALBON VALUES	09-Jul-86	SHIP	CURRENCY EXCHANGE	2,778.00		3,950,530.00
SHIP	DOLMY	10-Jul-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	5,000.00		3,945,530.00
SHIP	DOLMY	10-Jul-86	SHIP EXPENSES	CREW WAGES	5,900.00		3,939,630.00
SHIP	DOLMY	10-Jul-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	6,250.00		3,933,380.00
SHIP	DOLMY	14-Jul-86	SHIP EXPENSES	CHARTERING SERVICES	1,460.00		3,931,920.00
CAPITAL	UDALL	14-Jul-86	SPECIAL	SCITECH - TRIP WZ TO U.S.	8,599.00		3,923,321.00
CAPITAL	HYDE PARK SQUARE	14-Jul-86	CAPITAL	C. TEA	10,000.00		3,913,321.00
SHIP	DOLMY	15-Jul-86	SHIP EXPENSES	CSF GUARANTEE (INSURANCE)	70,000.00		3,843,321.00
CIA	HYDE PARK SQUARE	16-Jul-86	ARMS	PORTUGAL ARMS SWISS	881,987.00		2,961,334.00
SHIP	DOLMY	16-Jul-86	SHIP EXPENSES	CHARTERING APS	5,430.00		2,955,904.00
CONTRA	HYDE PARK SQUARE	16-Jul-86	AIR	AERO CONTRACTORS LTD	45,392.00		2,910,512.00
CONTRA	HYDE PARK SQUARE	18-Jul-86	AIRCRAFT	C-123 WARD PURCHASE	125,000.00		2,785,512.00
CONTRA	HYDE PARK SQUARE	18-Jul-86	AIRCRAFT	C-123 ALBERT HANSEN PURCHASE	125,000.00		2,660,512.00
UNKNOWN	HYDE PARK SQUARE	19-Jul-86	UNKNOWN	TRANSFER TO TRANSIT	310,000.00		2,350,512.00
CAPITAL	ALBON VALUES	22-Jul-86	SPECIAL	ISRAEL - TOM GREEN	50,000.00		2,300,512.00
SHIP	DOLMY	23-Jul-86	SHIP EXPENSES	CHARTERING SERVICES	4,444.00		2,296,068.00

HAKIM LEDGER - [illegible]

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PURPOSE	ACCOUNT	DATE	TYPE	TRANSACTION	DEBIT	CREDIT	BALANCE
SHIP	DOLMY	23-Jul-86	SHIP	SHIP EXPENSES	4,175.00		2,291,892.00
CONTRA	ALBON VALUES	24-Jul-86	AIR OPS	EAST IN	87,860.00		2,204,032.00
CAPITAL	ALBON VALUES	24-Jul-86	SPECIAL	HAKIM - JANIS, SCHAELKA, AND WEBSTER	10,000.00		2,194,032.00
OTHER	ALBON VALUES	24-Jul-86	TRAVEL	HOTEL INTERCONTINENTAL	7,052.00		2,186,980.00
SHIP	DOLMY	25-Jul-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	3,125.00		2,183,855.00
IRAN	HYDE PARK SQUARE	28-Jul-86	AIR	MEMI EYTAN	196,250.00		1,987,605.00
SHIP	DOLMY	28-Jul-86	SHIP EXPENSES	CHARTERING SERVICES	16,000.00		1,971,605.00
IRAN	HYDE PARK SQUARE	29-Jul-86	STUDY	ERIC ZUCKER CASH	1,000.00		1,970,605.00
CONTRA	UDALL	29-Jul-86	AIR OPS	MONTERO, J.	16,204.00		1,954,401.00
OTHER	UDALL	30-Jul-86	BUSINESS	COMPANIA DEL DESARR	3,993.00		1,950,408.00
CAPITAL	UDALL	30-Jul-86	SPECIAL	HAKIM - LILAC MCHUSE CHARLES	4,896.00		1,945,512.00
IRAN	UDALL	30-Jul-86	FEES	LANKARANI, JILA	8,000.00		1,937,512.00
OTHER	UDALL	31-Jul-86	BUSINESS	BUSINESS EXPENSE	40,000.00		1,897,512.00
SHIP	DOLMY	31-Jul-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	3,125.00		1,894,387.00
SHIP	DOLMY	31-Jul-86	SHIP EXPENSES	CREW WAGES	7,100.00		1,887,287.00
CAPITAL	UDALL	01-Aug-86	SPECIAL	SCITECH - STTGI	70,000.00		1,817,287.00
CAPITAL	UDALL	04-Aug-86	SPECIAL	HAKIM - STANFORD TECHNOLOGY	13,000.00		1,804,287.00
SHIP	DOLMY	04-Aug-86	SHIP EXPENSES	CHARTERING SERVICES	12,000.00		1,792,287.00
CONTRA	UDALL	07-Aug-86	AIR	CORPORATE AIR SERVICES - DEGRAY	81,434.00		1,710,853.00
IRAN	ALBON VALUES	20-Aug-86	BUSINESS	BUSINESS EXPENSE (TOM CLINES)	10,000.00		1,700,853.00
CAPITAL	ALBON VALUES	20-Aug-86	SPECIAL	SCITECH - DAVCO ASSOCIATES (STTGI)	10,000.00		1,690,853.00
SHIP	DOLMY	21-Aug-86	SHIP EXPENSES	CHARTERING SA	4,800.00		1,686,053.00
CONTRA	UDALL	22-Aug-86	AIR OPS	SOUTHERN AIR TRANSPORT	125,000.00		1,561,053.00
CONTRA	TOYCO	22-Aug-86	CONTRA	CRUZ	14,000.00		1,547,053.00
IRAN	UDALL	22-Aug-86	AIR TRANSPORT	AEROLEASING	21,439.00		1,525,614.00
OTHER	UDALL	22-Aug-86	BUSINESS	BUSINESS EXPENSE RVS (SECORD)	7,000.00		1,518,614.00
CONTRA	TOYCO	22-Aug-86	CONTRA	ROBELO	20,000.00		1,498,614.00
CONTRA	UDALL	22-Aug-86	INVESTIGATE	ROBINETTE (INVESTIGATE CASH ACCT.)	9,000.00		1,489,614.00
SHIP	DOLMY	22-Aug-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	6,250.00		1,483,364.00
CONTRA	UDALL	22-Aug-86	AIR OPS	EAST IN	56,000.00		1,427,364.00
CONTRA	TOYCO	22-Aug-86	AIR OPS	QUINTERO, R.	10,000.00		1,417,364.00
CAPITAL	TOYCO	25-Aug-86	SPECIAL	SCITECH - FORWAY INDUSTRIES (STTGI)	50,000.00		1,367,364.00
SHIP	DOLMY	25-Aug-86	SHIP EXPENSES	CREW WAGES	7,100.00		1,360,264.00
SHIP	DOLMY	25-Aug-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	6,250.00		1,354,014.00
OTHER	TOYCO	25-Aug-86	BUSINESS	BUSINESS EXPENSE	9,453.00		1,344,561.00
CONTRA	UDALL	25-Aug-86	AIRCRAFT	ACE	46,892.00		1,297,669.00
OTHER	TOYCO	25-Aug-86	BUSINESS	BUSINESS EXPENSE	500.00		1,297,169.00
CAPITAL	TOYCO	27-Aug-86	CAPITAL	KOREL	258,398.00		1,038,771.00
CAPITAL	TOYCO	27-Aug-86	CAPITAL	HAKIM	258,398.00		780,373.00
CAPITAL	TOYCO	27-Aug-86	CAPITAL	C. TEA	258,398.00		521,975.00
OTHER	TOYCO	27-Aug-86	BUSINESS	BUSINESS EXPENSE	1,000.00		520,975.00
CAPITAL	TOYCO	27-Aug-86	CAPITAL	SCITECH	86,133.00		434,842.00
SHIP	DOLMY	28-Aug-86	SHIP EXPENSES	CHARTERING	15,000.00		419,842.00
OTHER	TOYCO	01-Sep-86	BUSINESS	TOB CODELIS (AM EXP)	51,000.00		368,842.00
CONTRA	TOYCO	03-Sep-86	AIR	CORPORATE AIR SERVICES	62,018.00		306,824.00
CONTRA	TOYCO	03-Sep-86	ATTORNEY	TOM GREEN	15,000.00		291,824.00
CONTRA	TOYCO	05-Sep-86	AIR OPS	QUINTERO, R.	5,000.00		286,824.00
IRAN	TOYCO	05-Sep-86	FEES	LANKARANI, JILA	5,000.00		281,824.00
CONTRA	TOYCO	09-Sep-86	CONTRA	CRUZ	7,000.00		274,824.00
CONTRA	TOYCO	09-Sep-86	CONTRA	ROBELO	10,000.00		264,824.00
CONTRA	TOYCO	11-Sep-86	AIR OPS	SOUTHERN AIR TRANSPORT	50,000.00		214,824.00

HAKIM LEDGER CHRON[illegible] [illegible]/9/87

PURPOSE	ACCOUNT	DATE	TYPE	TRANSACTION	DEBIT	CREDIT	BALANCE
CAPITAL	TOYCO	12-Sep-86	SPECIAL	SCITECH - STTGI	15,000.00		199,824.00
IRAN	TOYCO	12-Sep-86	FEES	LANKARANI, JILA	10,000.00		189,824.00
CONTRA	TOYCO	12-Sep-86	ATTORNEY	TOM GREEN	10,000.00		179,824.00
OTHER	TOYCO	18-Sep-86	BUSINESS	BUSINESS EXPENSE - TOM CLINES	2,000.00		177,824.00
CONTRA	HYDE PARK SQUARE	24-Sep-86	AIR OPS	QUINTERO, R.	10,000.00		167,824.00
IRAN	ALBON VALUES	24-Sep-86	BUSINESS	BUSINESS EXPENSE (TOM CLINES)	5,000.00		162,824.00
INCOME	HYDE PARK SQUARE	24-Sep-86	INCOME	FUNDS FROM CIA		1,200,000.00	1,362,824.00
CONTRA	LAKE RESOURCES	25-Sep-86	AIR OPS	EAST INC	14,449.00		1,348,375.00
IRAN	HYDE PARK SQUARE	25-Sep-86	AIR TRANSPORT	AEROLEASING	5,729.00		1,342,646.00
CONTRA	TOYCO	25-Sep-86	AIR OPS	SOUTHERN AIR TRANSPORT	100,000.00		1,242,646.00
CONTRA	UDALL	25-Sep-86	AIR	CORPORATE AIR SERVICES	91,936.00		1,150,710.00
SHIP	DOLMY	26-Sep-86	SHIP EXPENSES	CREW WAGES	7,100.00		1,143,610.00
SHIP	DOLMY	26-Sep-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	3,125.00		1,140,485.00
SHIP	DOLMY	26-Sep-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	3,125.00		1,137,360.00
SHIP	DOLMY	27-Sep-86	SHIP EXPENSES	CHARTERING SA	13,340.00		1,124,020.00
IRAN	HYDE PARK SQUARE	30-Sep-86	BUSINESS	BUSINESS EXPENSE HAKIM	51,000.00		1,073,020.00
IRAN	HYDE PARK SQUARE	30-Sep-86	STUDY	ERIC ZUCKER CASH	1,000.00		1,072,020.00
CONTRA	HYDE PARK SQUARE	02-Oct-86	AIR OPS	QUINTERO, R.	5,000.00		1,067,020.00
CAPITAL	HYDE PARK SQUARE	03-Oct-86	SPECIAL	SCITECH - STTGI	25,000.00		1,042,020.00
CAPITAL	HYDE PARK SQUARE	03-Oct-86	CAPITAL	HAKIM REIMBURSEMENT	250,000.00		792,020.00
CONTRA	HYDE PARK SQUARE	06-Oct-86	CONTRA	ROBELO	10,000.00		782,020.00
CONTRA	HYDE PARK SQUARE	06-Oct-86	CONTRA	CRUZ	7,000.00		775,020.00
CAPITAL	HYDE PARK SQUARE	06-Oct-86	SPECIAL	HAKIM - STANFORD TECHNOLOGY	30,000.00		745,020.00
IRAN	HYDE PARK SQUARE	08-Oct-86	FEES	LANKARANI, JILA	5,740.00		739,280.00
IRAN	HYDE PARK SQUARE	08-Oct-86	AIR TRANSPORT	AEROLEASING	54,552.00		684,728.00
OTHER	HYDE PARK SQUARE	08-Oct-86	BUSINESS	DIRECTORS FEES	1,872.00		682,856.00
SHIP	DOLMY	15-Oct-86	SHIP EXPENSES	CHARTERING SA	20,000.00		662,856.00
OTHER	HYDE PARK SQUARE	15-Oct-86	BUSINESS	BUSINESS EXPENSE - HAKIM	2,000.00		660,856.00
IRAN	HYDE PARK SQUARE	20-Oct-86	AIR	MENO EYTAN	251,000.00		409,856.00
CONTRA	HYDE PARK SQUARE	22-Oct-86	ATTORNEY	TOM GREEN	20,000.00		389,856.00
OTHER	HYDE PARK SQUARE	22-Oct-86	BUSINESS	BUSINESS EXPENSE CASH	2,000.00		387,856.00
IRAN	HYDE PARK SQUARE	22-Oct-86	AIR TRANSPORT	AEROLEASING	19,065.00		368,791.00
IRAN	HYDE PARK SQUARE	27-Oct-86	BUSINESS	BUSINESS EXPENSE HAKIM	51,000.00		317,791.00
IRAN	HYDE PARK SQUARE	27-Oct-86	ARMS	CIA	2,037,000.00		(1,719,209.00)
IRAN	HYDE PARK SQUARE	27-Oct-86	EXPENSES	EXPENSES (DUTTON)	40,000.00		(1,759,209.00)
SHIP	DOLMY	28-Oct-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	7,100.00		(1,766,309.00)
SHIP	DOLMY	28-Oct-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	3,125.00		(1,769,434.00)
SHIP	DOLMY	28-Oct-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	3,125.00		(1,772,559.00)
OTHER	HYDE PARK SQUARE	28-Oct-86	BUSINESS	BUSINESS EXPENSE	6,000.00		(1,778,559.00)
INCOME	HYDE PARK SQUARE	29-Oct-86	INCOME	FUNDS FROM IRAN		3,600,000.00	1,821,441.00
CAPITAL	HYDE PARK SQUARE	03-Nov-86	SPECIAL	SCITECH - STTGI	50,000.00		1,771,441.00
CONTRA	HYDE PARK SQUARE	05-Nov-86	AIR OPS	QUINTERO, R.	5,000.00		1,766,441.00
OTHER	HYDE PARK SQUARE	05-Nov-86	BUSINESS	BUSINESS EXPENSE	1,176.00		1,765,265.00
CONTRA	HYDE PARK SQUARE	05-Nov-86	CONTRA	ROBELO	10,000.00		1,755,265.00
OTHER	HYDE PARK SQUARE	05-Nov-86	BUSINESS	BUSINESS EXPENSE	10,000.00		1,745,265.00
CONTRA	HYDE PARK SQUARE	05-Nov-86	CONTRA	CRUZ	7,000.00		1,738,265.00
OTHER	HYDE PARK SQUARE	06-Nov-86	BUSINESS	BUSINESS EXPENSE	4,671.00		1,733,594.00
IRAN	HYDE PARK SQUARE	06-Nov-86	FEES	LANKARANI, JILA	10,000.00		1,723,594.00
CAPITAL	HYDE PARK SQUARE	11-Nov-86	CAPITAL	C. TEA	30,000.00		1,693,594.00
SHIP	DOLMY	11-Nov-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	7,100.00		1,686,494.00
CAPITAL	HYDE PARK SQUARE	12-Nov-86	SPECIAL	HAKIM - FORWAY (CSF INVESTMENT)	260,000.00		1,426,494.00

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PURPOSE	ACCOUNT	DATE	TYPE	TRANSACTION	DEBIT	CREDIT	BALANCE
UNKNOWN	UDALL	15-Nov-86	UNKNOWN	CASH WITHDRAWAL	[illegible]		1,420,774.00
CAPITAL	HYDE PARK SQUARE	16-Nov-86	SPECIAL	SCITECH - STIGI	50,000.00		1,370,774.00
CAPITAL	HYDE PARK SQUARE	18-Nov-86	SPECIAL	SCITECH - STIGI	500.00		1,370,294.00
CAPITAL	HYDE PARK SQUARE	21-Nov-86	SPECIAL	HAKIM - STANFORD TECHNOLOGY	25,000.00		1,345,294.00
CAPITAL	HYDE PARK SQUARE	25-Nov-86	SPECIAL	HAKIM - CLARK MOSS CHARLES	868.00		1,344,426.00
CAPITAL	HYDE PARK SQUARE	25-Nov-86	SPECIAL	SCITECH - STIGI	50,000.00		1,294,426.00
CONTRA	HYDE PARK SQUARE	26-Nov-86	ATTORNEY	BUSINESS EXPENSE SHEA AND GARDINER	6,216.00		1,288,210.00
SHIP	DOLMY	27-Nov-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	3,125.00		1,285,085.00
SHIP	DOLMY	27-Nov-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	3,125.00		1,281,960.00
UNKNOWN	HYDE PARK SQUARE	28-Nov-86	UNKNOWN	ATTORNEY	20,000.00		1,261,960.00
							1,261,960.00
				TO BALANCE	(22,490.00)		1,284,450.00
					46,187,006.00	47,471,456.00	
				OTHER INCOME STRAUSS TURN		2,400.00	1,286,850.00
				INTEREST INCOME		260,237.00	1,547,087.00
				BANK CHARGES	74,715.00		1,472,372.00
				TELEPHONE CHARGES	1,776.00		1,470,596.00
				OTHER BUSINESS EXPENSES	47,325.00		1,423,271.00
				OTHER MANAGEMENT FEES	882.00		1,422,389.00
				OTHER DIRECTORS FEES	23,438.00		1,398,951.00
				TAXES	128.00		1,398,823.00
				OTHER LEGAL FEES	34,000.00		1,364,823.00
				CASH BALANCE	1,364,823.00		0.00
				TOTAL	47,734,093.00	47,734,093.00	

EXHIBIT OLN-18

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U.S./IRANIAN CONTACTS AND THE AMERICAN HOSTAGES

From the earliest months following the Islamic revolution in Iran, the U.S. Government has attempted to reestablish official contact with that government in order to discuss strategic developments in that critical part of the world and to try and reestablish a constructive working relationship. Even before President Reagan came to office the U.S. Government agreed to expand security, economic, political, and intelligence relationships at a pace acceptable to Tehran. In the fall of 1979, the U.S. undertook three secret missions to Tehran:

-- September 1979 [redacted]

-- October 1979 [redacted]

-- October-November 1979 [redacted] (discussed normalization of relations)

When these meetings and the secret November 1, 1979 meeting in Algiers, between Brzezinski and Prime Minister Bazargan, became public in Iran, they precipitated the takeover of the U.S. Embassy by radical elements and led to the resignation of the Bazargan government. These events have adversely influenced Iran's subsequent willingness to engage in any direct contact with the USG.

Despite mutual difficulties involved in re-establishing normal relations, our strategic interests in the Persian Gulf mandate persistent efforts on our part to try to establish a dialogue. In this regard, it is notable that only a few major countries do not have relations with Iran -- Egypt, Jordan, Morocco, Israel, South Africa, and the United States. Even Iraq continues to have diplomatic relations with Iran.

Iran, the key to a region of vital importance to the West, is increasingly threatened by growing Soviet military and political influence along its borders and inside its territory. Over the course of the last two years, the Soviets and their surrogates have moved actively to gain influence in the Gulf:

-- The Soviets believe that ~~once~~ Khomeini dies, they will have an excellent opportunity to influence the formation of a government in Tehran which serves Soviet strategic interests in the area.

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-- Communist nations have become principal arms suppliers to Iran -- making Iran dependent on this source of supply in contending with an increasingly threatening Iraq. This leads us to the conclusion that the Soviets may well be attempting to pursue their own revolution in Iran. That is, by fueling both sides in the conflict, the Soviets could well encourage a disastrous "final offensive" by Iran that would precipitate a political disintegration in Iran, leaving a power vacuum which the Soviets could exploit. Specifically, the Communist influence in Iran stems from:

[redacted]

The increasing desperation brought on by the costs of the Iran-Iraq war has exacerbated Iran's vulnerability to Soviet influence. Moreover, Soviet designs in Afghanistan, pressure on Pakistan, and actual crossborder strikes in Iran from Afghanistan have made reopening a strategic dialogue increasingly important.

In short, the Soviets were far better positioned to significantly improve their influence in the region in 1985 when we were presented with an opportunity to open a dialogue with Iran. In deciding to exploit this opening, we evaluated previous efforts through more conventional channels which had not succeeded.

Since 1983, various countries have made overtures to the U.S. and Iran in an effort to stimulate direct contact. [redacted] About two years ago, senior Iranian officials apparently decided that some accommodation with the U.S. was necessary. However, internal splits and debates made it difficult for them to respond to these overtures.

Numerous individuals and private parties have likewise attempted to be helpful as intermediaries in establishing contact in Iran or in seeking Iranian assistance in the release of our citizens held hostage in Lebanon. [redacted]

In 1985, a private American citizen (Michael Ledeen) was approached by a representative of the Israeli government (David Kimche), who reported that they had established a liaison relationship with an Iranian expatriate (Manuchehr Ghorbanifar) in Europe who sought Israeli help in establishing contact with the U.S. Government. In acknowledging the need to demonstrate the bonafides of the officials involved, he (Ghorbanifar) indicated that his "sponsors" in Tehran could also help to resolve the American hostage situation in Beirut.

The Israelis analyzed this intermediary's background exhaustively in order to validate his legitimacy. This analysis led them to have extremely high confidence in his standing and genuine relationship to the highest Iranian officials. Based in large part upon the Israeli evaluation and in recognition of the clear U.S. interest in a dialogue that might, over time, lead to the moderation of Iranian policies, the U.S. established an indirect contact with the Iranian intermediary in mid-1985, through the private U.S. citizen and a senior Israeli official. These contacts were established through the National Security Council staff with the full knowledge of appropriate Cabinet officers. * From the very first meeting with the Israelis and the Iranian, it was emphasized that the USG could not proceed with direct contact unless Iran renounced terrorism as an instrument of state policy.

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In June of 1985, in the midst of the TWA-847 hijacking, the Israeli officials in direct contact with the Iranian expatriate asked him to use his influence with senior Iranian officials to obtain the release of the hijacked passengers. Two days after this approach, four Americans held separately from the rest of the hijacked passengers were freed and turned over to Syrian authorities. [redacted] Majlis Speaker Rafsanjani, who was travelling in the mid-east at the time, and Iranian Foreign Minister Velayati both intervened with the captors. Rafsanjani, in his speech on November 4, 1986, for the first time publicly acknowledged his role in this matter.

RECORD OF YOUR EFFORTS TO GET IS. TO DESIST CHECK HOWARD

In September of 1985, the Israelis advised that they were close to ~~achieving a~~ breakthrough in their contact with Iran and would proceed unless we objected. It is important to note that the U.S. had long been aware of Israeli efforts to maintain discreet contact with Iran and to provide Iran with assistance in its war with Iraq. Despite long-term U.S. efforts to convince the Israelis to desist, Israel continued to provide limited military and industrial technology to Iran. The USG judged that the Israelis would persist in these secret deliveries, despite our objections, because they believed it to be in their strategic interests.

CHECK WITH BUD + PAUL

On August 22, 1985, the U.S., through the U.S. citizen intermediary, acquiesed in an Israeli delivery of military supplies (508 TOWs) to Tehran. We were subsequently informed that the delivery had taken place at the end of August, though we were not aware of the shipment at the time it was made. U.S. acquiescence in this Israeli operation was based on a decision at the highest level to exploit existing Israeli channels with Tehran in an effort to establish an American strategic dialogue with the Iranian government.

On September 14, 1985, Reverend Benjamin Weir was released in Beirut by the Islamic Jihad Organization. This release was preceded by an intense effort on the part of Mr. Terry Waite, the Special Emissary of the Archbishop of Canterbury. To this date, Mr. Waite remains the only Westerner to ever meet directly with the Lebanese kidnappers. [redacted]

On October 4, 1985, Islamic Jihad announced that it had "executed" Beirut Station Chief William Buckley in retaliation for the October 1 Israeli air raid on PLO installations in Tunis. This announcement led to a series of meetings in Europe among the U.S. (CIA and NSC), Israeli, and Iranian intermediaries. In these meetings, the Iranians indicated that, while their ability to influence the Hizballah was waning, the Hizballah had not killed

Buckley; he had in fact died several months earlier of natural causes. We have since substantiated this information in debriefs of Father Jenco and David Jacobsen, both of whom indicate that Buckley probably died on June 3, 1985 of pneumonia-like symptoms.

In late November 1985, the Israelis, responding to urgent entreaties from the Iranians, provided 18 basic HAWK missiles to Iran in order to improve the static defenses around Tehran. The Israeli delivery of HAWK missiles raised U.S. concerns that we could well be creating misunderstandings in Tehran and thereby jeopardizing our objective of arranging a direct meeting with high-level Iranian officials. These missiles were subsequently returned to Israel in February 1986, with U.S. assistance. On December 6-8, 1985, the National Security Advisor met in London with the Israeli official and the Iranian contact to make clear the nature of our interest in a dialogue with Iran. At that meeting, Mr. McFarlane stated that our goals were as follows:

- Devising a formula for re-establishing a strategic relationship with Tehran.

- Ending the Iran-Iraq War on honorable terms.

- Convincing Iran to cease its support for terrorism and radical subversion.

- Helping ensure the territorial integrity of Iran and coordinating ways in which we might counter Soviet activities in the region.

Mr. McFarlane made clear that a Western dialogue with Iran would be precluded unless Iran was willing to use its influence to achieve the release of Western hostages in Beirut. He also made clear that we could not and would not engage in trading arms for hostages.

On January 9 8, 1986, the President approved a covert action Finding directing that the intelligence community proceed with special activities aimed at accomplishing the goals set forth above. In accord with extant statutes, the President directed that the Director of Central Intelligence refrain/[illegible] reporting the Finding to the appropriate committees of the Congress until reasonably sure that the lives of those carrying out the operation (both U.S. and foreign) would not be in jeopardy.

On February 5-7, U.S. officials (NSC and CIA [redacted], a representative of the Israeli Prime Ministry (Amiram Nir), and a senior-level Iranian official [redacted]

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[redacted] met in Germany. At this meeting, the Iranians agreed that, if the USG would provide TOW weapons to Iran, they would, in turn, provide same to the Afghan Mujahideen. The U.S. agreed to explore this possibility and, working with the Israelis, established the following mechanism for transfer of the weapons:

-- The Iranian intermediary (Ghorbanifar) would deposit funds in an Israeli account.

-- The Israelis would transfer funds to a sterile U.S.-controlled account in an overseas bank.

-- Using these funds, the CIA would covertly obtain materiel authorized for transfer from U.S. military stocks and transport this to Israel for onward movement to Iran.

Using the procedures stipulated above, funds were deposited in the CIA account in Geneva on February 11, 1986 and on February 14 1,000 TOWs were transported to Israel for pre-positioning. The TOWs were off-loaded and placed in a covert Israeli facility.

On February 19-21, U.S. and Iranian officials (NSC and CIA) met again in Germany to discuss problems in arranging a meeting among higher-level officials. At this meeting, the U.S. side agreed to provide 1,000 TOWs to Iran as a clear signal of U.S. sincerity. This delivery was commenced on the morning of February 20 and completed in two transits to Tehran on February 21.

On March 7, U.S. (CIA and NSC) and Israeli representatives met with the Iranian intermediary in Paris to determine whether any further progress was possible in arranging for a high-level meeting with U.S. and Iranian officials. During these meetings, the intermediary emphasized the deteriorating economic situation in Iran and Iranian anxieties regarding increasing Iraqi military effectiveness.

[redacted]

The escalation of tensions with Libya, leading up to the April 14 strike, prevented further dialogue from taking place until the Iranians urged the intermediary (Ghorbanifar) to accelerate the

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effort in late April, 1986. At that point, the Iranian expatriate advised us that the leadership in Tehran was prepared to commence a secret dialogue with the United States along the lines of our established goals. We believe that the Iranians were stimulated to renew the contact by the April 17 murder of hostage Peter Kilburn [redacted] in retaliation for the U.S. raid on Libya. [redacted] The Iranian expatriate told the NSC and CIA officers, who met with him in Europe at the end of April, that the Iranians did not wish to be accused of any culpability in Kilburn's death. [redacted]

Based on assurances that we could at last meet face-to-face with top-level Iranian officials, on May 15, the President authorized a secret mission to Tehran by former National Security Advisor McFarlane, accompanied by a CIA annuitant, CIA communicators, members of the NSC staff, and the Israeli and Iranian interlocutors. In order to ensure operational security, the trip was made from Israel, coincident with the delivery of a pallet of spare parts for Iranian defensive weapons systems (HAWK spare electronic parts). At the specific request of the Iranians, alias foreign documentation [redacted] was obtained from the CIA.

In the course of the four-day (May 25-29) visit, lengthy meetings were held with high-level Iranian officials, the first direct contact between the two governments in over six years. Mr. McFarlane and his team were able to establish the basis for a continuing relationship and clearly articulate our objectives, concerns, and intentions. The group was also able to assess first hand the internal political dynamic in Tehran and the effect of the war which Iran clearly can no longer win. Using Presidentially approved Terms of Reference (Tab A), which had been reviewed and approved by appropriate Cabinet officers, McFarlane emphasized that our interest in Iran transcended the hostages, but the continued detention of hostages by a Lebanese group philosophically aligned with Iran prevented progress. During the visit, Mr. McFarlane made clear:

-- that we fundamentally opposed Iranian efforts to expel us from the Middle East;

-- that we firmly opposed their use of terrorism;

-- that we accepted their revolution and did not seek to reverse it;

-- that we had numerous other disagreements involving regional policies (i.e., Lebanon, Nicaragua, etc.), but might also find areas of common interest (i.e., Afghanistan) through dialogue.

During these meetings, both sides used the opportunity to detail the obstacles to implementing a strategic relationship between the two countries. In addition to the points noted above, Mr. McFarlane emphasized the political problems caused by Iranian involvement in the hostage issue. The Iranians objected to the USG embargo on U.S. military supplies already paid for plus the continued USG blocking of Iranian assets in the U.S., even after U.S. courts had ruled in their favor. During the course of these meetings, the Iranian officials admitted that they could not win the war, but were in a dilemma in Tehran over how to end the conflict given the need to present an Iranian "victory" before it could be concluded. They emphasized that the original aggressor, Saddam Hussein, must be removed from power in order for the war to end. Mr. McFarlane concluded the visit by summarizing that notwithstanding Iranian interest in carrying on with the dialogue, we could not proceed with further discussions in light of their unwillingness to exert the full weight of their influence to cause the release of the hostages.

On June 10, Majlis Speaker Rafsanjani, in a speech in Tehran made guarded reference to Iranian interest in improved relations with the U.S. On July 26, Father Lawrence Jenco was released in the Bekka Valley and found his way to a Syrian military checkpoint. On August 3, three pallets (less than ½ planeload) of electronic parts for Iranian anti-aircraft defenses (HAWK missile subcomponents) arrived in Tehran (from Israel).

In early August 1986, the contact with the Iranian expatriate began to focus exclusively on the willingness of the USG to provide military assistance to Iran in exchange for hostages and we sought to establish different channels of communication which would lead us more directly to pragmatic and moderate elements in the Iranian hierarachy. In mid-August, a private American citizen (MGEN Richard Secord, USAF (Ret.)) acting within the purview of the January Covert Action Finding, made contact in Europe with [redacted] of a senior Iranian official (Rafsanjani). With the assistance of the CIA, this Iranian (Ali) was brought covertly to Washington for detailed discussions. We judged this effort to be useful in establishing contact with a close confidant of the man judged to be the most influential and pragmatic political figure in Iran (Rafsanjani). These discussions reaffirmed the basic objectives of the U.S. in seeking a political dialogue with Tehran. We also provided intelligence designed to discourage an Iranian offensive and contribute to an Iranian decision to negotiate an end to the war.

Through August, September, and October 1986, numerous additional meetings were held in Europe between U.S. representatives and the new and Iranian contacts. During the October 26, 1986 meeting in Frankfurt, Germany, the U.S. side, as in the past, insisted that the release of the hostages was a pre-requisite to any progress. The Iranian, [redacted] urged that we take a more active role in support for the Afghan resistance [redacted] The Iranians also proffered, and the U.S. accepted, the offer of a Soviet T-72 [redacted] At this meeting, [redacted] stated that there was a "very good chance that another American or two would be reed soon." On October 29, with U.S. acquiescence, Israel provided Iran with an additional increment (500 TOW missiles) of these defensive weapons.

Late on October 31, [redacted] called the U.S. citizen (Hakim) tasked to maintain contact and advised that Iran had "exercised its influence with the Lebanese" in order to obtain the release of American -- David Jacobsen -- and an uncertain number of French hostages. He further noted that this was part of the purpose of the Iranian Foreign Minister's visit to Syria. [redacted] stated that the situation in Tehran, as well as Iranian influence over Hizballah were both deteriorating; [redacted] On November 2, David Jacobsen was driven to a point near the old American Embassy compound in West Beirut. The U.S. Embassy in East Beirut immediately dispatched an embassy officer to West Beirut to pick up Mr. Jacobsen.

It is now apparent that persistent U.S. efforts to establish contact with Iran have probably exacerbated the power struggle in Iran between pragmatic elements (led by Rafsanjani) and more radical factions (under the overall sponsorship of Ayatollah Montazeri). In late October, radical supporters (of Montazeri) revealed the (Rafsanjani) contact with the USG and the terms of the contact. In order to defend himself against charges of colluding with the USG and to preserve a degree of latitude for both parties, Majlis Speaker Rafsanjani provided a highly fabricated version of the May 1986 McFarlane mission in his

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November 4 address to the masses. Moderate Iranian political leaders apparently now feel constrained to settle their internal political problems before proceeding with the U.S. relationship. The revelations in Tehran regarding the McFarlane mission are demonstrable evidence of the internal power struggle. The October 1986 arrest of radical leader Mehdi Hashemi, a close confidant and son in-law of Aytollah Montezari, for acts of terrorism and treason has caused further internal conflict. Resolution of the Lebanon hostage situation is also complicated by waning Iranian influence in Lebanon due in part to financial constraints and the fact that the Libyans are expanding their contacts with more radical Hisballah elements. [redacted] Despite these internal difficulties [illegible] attendant publicity in the Western media, the Iranians continue to maintain direct contact with the USG and met again in Geneva on November 9-10 with NSC and CIA representatives. [redacted]

It is important to note that since the initiation of the USG contact with Iran there has been no evidence of Iranian government complicity in acts of terrorism against the U.S. We believe that the September-October kidnappings of Messrs. Reed, Cicippio, and Tracy were undertaken in an effort to undermine the nascent U.S.-Iranian strategic dialogue and exacerbate the internal Iranian power struggle against the moderate faction with which we have been in contact. [redacted] Contrary to speculative reports that these hostages were taken in order to stimulate the acquisition of more arms, they were most likely captured in order to prevent the very rapproachment with Iran we are seeking.

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Throughout this process, the USG has acted within the limits of established policy and in compliance with all U.S. law. The shipment of 2,008 TOWs and 235 HAWK missile parts was undertaken under the provisions of a covert action Finding.

In support of this Finding and at the direction of the President, the CIA provided the following operational assistance:

-- Sterile overseas bank accounts for financial transactions.

-- A secure transhipment point for the dispatch of U.S. military items from the U.S.

-- Transhipment of military items from the U.S. to Israel.

-- Communications and intelligence support for the meetings with Iranian officials and the McFarlane trip to Tehran in May.

-- Cleared meeting sites in Europe for meetings with Iranian officials.

-- Alias documentation for U.S. and foreign officials for meetings in Europe and Tehran.

The weapons and materiel provided under this program are in no way adequate to alter the balance of military power nor the outcome of the war with Iraq. They have, however, had a positive effect on the Afghan resistance and demonstrated the U.S. commitment to Iranian territorial integrity. Further, U.S. efforts over the last 18 months have had tangible results on Iranian policy:

-- The Rafsanjani/Velayati intervention on behalf of the TWA #847 passengers (June 1985).

-- Iranian direction that the hijacked Pan Am #73 could not leave Karachi for Iranian territory.

-- [redacted]

-- The release of three American and two French hostages.
[illegible]

It should also be noted that the U.S. arms embargo notwithstanding, West European nations have provided $500 million a year in military equipment to Iran. Most of these transfers were accomplished with government knowledge and/or acquiescence.

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All appropriate Cabinet Officers have been apprised throughout. The Congress was not briefed on the covert action Finding due to the extraordinary sensitivity of our Iranian contacts and the potential consequences for our strategic position in Southwest Asia. Finally, our efforts to achieve the release of the hostages in Lebanon must continue to rely on discreet contacts and intermediaries who cannot perform if they are revealed.

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EXHIBIT OLN-19

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EXHIBIT
OLN-19

U.S./IRANIAN CONTACTS AND THE AMERICAN HOSTAGES

From the earliest months following the Islamic revolution in Iran, the U.S. Government has attempted to reestablish official contact with that government in order to discuss strategic developments in that critical part of the world and reconstruct a working relationship. Even before President Reagan came to office the U.S. Government agreed to try to expand security, economic, political, and intelligence relationships at a pace acceptable to Tehran. In the fall of 1979, the U.S. undertook three secret missions to Tehran:

-- September 1979 - [redacted] (met secretly with Bazargan at the request of the Iranians)

-- October 1979 - [redacted]

-- October-November 1979 - [redacted] (discussed normalization of relations)

When these meetings and the secret November 1, 1979 meeting in Algiers, between Brzezinski and Prime Minister Bazargan, became public in Iran, they helped precipitate the takeover of the U.S. Embassy by radical elements and led to the resignation of the Bazargan government. These events have adversely influenced Iran's subsequent willingness to engage in any direct contact with the USG.

Despite mutual difficulties involved in re-establishing normal relations, our strategic interests in the Persian Gulf mandate persistent efforts to establish a dialogue. In this regard, it is notable that only a few major countries do not have relations with Iran -- Egypt, Jordan, Morocco, Israel, South Africa, and the United States. Even Iraq continues to have diplomatic relations with Iran.

Iran, the key to a region of vital importance to the West, is increasingly threatened by growing Soviet military power and political influence along its borders and inside its territory. Over the course of the last two years, the Soviets and their surrogates have moved actively to gain influence in the Gulf:

-- The Soviets believe that once Khomeini dies, they will have an excellent opportunity to influence the formation of a government in Tehran that serves Soviet strategic interests in the area.

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-- Communist nations have become the principal arms suppliers to Iran -- making Iran dependent on this source of supply in contending with an increasingly strengthened Iraq. This leads us to the conclusion that the Soviets may well be attempting to pursue their own revolution in Iran. That is, by fueling both sides in the conflict, the Soviets could well encourage a disastrous "final offensive" by Iran that would precipitate a political disintegration in Iran, leaving a power vacuum which the Soviets could exploit. Specifically, the indicators of Communist influence in Iran are:

[redacted]

The increasing desperation brought on by the costs of the Iran-Iraq war has exacerbated Iran's vulnerability to Soviet influence. Moreover, Soviet designs in Afghanistan, pressure on Pakistan, and actual crossborder strikes in Iran from Afghanistan have made reopening a strategic dialogue increasingly important.

In short, the Soviets were far better positioned to improve significantly their influence in the region in 1985 when we were presented with an opportunity to open a dialogue with Iran. In deciding to exploit this opening, we evaluated previous efforts through more conventional channels which had not succeeded.

About two years ago, senior Iranian officials apparently decided that some accommodation with the U.S. was necessary. Since 1983, various countries have made overtures to the U.S. and Iran in an effort to stimulate direct contact. [redacted] However, internal splits and debates made it difficult for the Iranians to respond to these overtures.

Numerous individuals and private parties have likewise attempted to be helpful as intermediaries in establishing contact in Iran or in seeking Iranian assistance in the release of our citizens held hostage in Lebanon. [redacted]

In 1985, a private American citizen (Michael Ledeen) was approached by a representative of the Israeli government (David Kimche), who reported that they had established a liaison relationship with an Iranian expatriate (Manuchehr Ghorbanifar) in Europe who sought Israeli help in establishing contact with the U.S. Government. In acknowledging the need to demonstrate the bonafides of the officials involved, he (Ghorbanifar) indicated that his "sponsors" in Tehran could also help to resolve the American hostage situation in Beirut.

The Israelis analyzed this intermediary's background exhaustively in order to validate his legitimacy. This analysis led them to have extremely high confidence in his standing and genuine relationship to the highest Iranian officials. Based in large part upon the Israeli evaluation and in recognition of the clear U.S. interest in a dialogue that might, over time, lead to the moderation of Iranian policies, the U.S. established an indirect contact with the Iranian intermediary in mid-1985, through the private U.S. citizen and a senior Israeli official. These contacts were established through the National Security Council staff with the full knowledge of appropriate Cabinet officers. From the very first meeting with the Israelis and the Iranian, it was emphasized that the USG could not proceed with direct contact unless Iran renounced terrorism as an instrument of state policy.

In June of 1985, in the midst of the TWA-847 hijacking, the Israeli officials in direct contact with the Iranian expatriate asked him to use his influence with senior Iranian officials to obtain the release of the hijacked passengers. Two days after this approach, four Americans held separately from the rest of the hijacked passengers were freed and turned over to Syrian authorities. [redacted] Majlis [redacted] Speaker Rafsanjani, who was travelling in the mid-east at the time, and Iranian Foreign Minister Velayati both intervened with the captors. Rafsanjani, in his speech on November 4, 1986, for the first time publicly acknowledged his role in this matter.

In September of 1985, the Israelis advised that they were close to achieving a breakthrough in their contact with Iran and would proceed unless we objected. It is important to note that the U.S. had long been aware of Israeli efforts to maintain discreet contact with Iran and to provide Iran with assistance in its war with Iraq. Despite long-term U.S. efforts to convince the Israelis to desist, Israel continued to provide limited military and industrial technology to Iran. The USG judged that the Israelis would persist in these secret deliveries, despite our objections, because they believed it to be in their strategic interests.

On August 22, 1985, the U.S., through the U.S. citizen intermediary, acquiesed in a single Israeli delivery of military supplies (508 TOWs) to Tehran. We were subsequently informed that the delivery had taken place at the end of August, though we were not specifically aware of the shipment at the time it was made. U.S. acquiescence in this Israeli operation was based on a decision at the highest level to exploit existing Israeli channels with Tehran in an effort to establish an American strategic dialogue with the Iranian government. The single entire operation, to include delivery, arrangements, funding, and transportation. The total value of this shipment was less than $2 million and, therefore, below the threshold for required reporting of a military equipment transfer under the Arms Export Control Act.

On September 14, 1985, Reverend Benjamin Weir was released in Beirut by the Islamic Jihad Organization. This release was preceded by an intense effort on the part of Mr. Terry Waite, the Special Emissary of the Archbishop of Canterbury. To this date, Mr. Waite remains the only Westerner to ever meet directly with the Lebanese kidnappers. [redacted]

On October 4, 1985, Islamic Jihad announced that it had "executed" Beirut Station Chief William Buckley in retaliation for the October 1 Israeli air raid on PLO installations in Tunis. This announcement led to a series of meetings in Europe among the U.S. (CIA and NSC), Israeli, and Iranian intermediaries. In these meetings, the Iranians indicated that, while their ability to influence the Hizballah was waning, the Hizballah had not killed Buckley; he had in fact died several months earlier of natural causes. We have since substantiated this information in debriefs of Father Jenco and David Jacobsen, both of whom indicate that Buckley probably died on June 3, 1985 of pneumonia-like symptoms.

In late November 1985, the Israelis, responding to urgent entreaties from the Iranians, provided 18 [redacted] HAWK missiles to Iran in order to improve the static defenses around Tehran. The Israeli delivery of HAWK missiles raised U.S. concerns that we could well be creating misunderstandings in Tehran and thereby jeopardizing our objective of arranging a direct meeting with high-level Iranian officials. By mutual agreement of all three parties, these missiles were subsequently returned to Israel in February 1986. On December 6-8, 1985, the National Security Advisor met (in London) with the Israeli official and the Iranian contact to make clear the nature of our interest in a dialogue with Iran. At this meeting, Mr. McFarlane stated that our goals were as follows:

- Devising a formula for re-establishing a strategic relationship with Tehran.
- Ending the Iran-Iraq War on honorable terms.
- Convincing Iran to cease its support for terrorism and radical subversion.
- Helping ensure the territorial integrity of Iran and coordinating ways in which we might counter Soviet activities in the region.

Mr. McFarlane made clear that a Western dialogue with Iran would be precluded unless Iran were willing to use its influence to achieve the release of Western hostages in Beirut. He also made clear that we could not and would not engage in trading arms for hostages.

On January 17, 1986, the President approved a covert action Finding directing that the intelligence community proceed with special activities aimed at accomplishing the goals set forth above. In accord with extant statutes, the President directed that the Director of Central Intelligence refrain from reporting the Finding to the appropriate committees of the Congress until reasonably sure that the lives of those carrying out the operation (both U.S. and foreign) would not be in jeopardy.

On February 5-7, U.S. officials (NSC and CIA ([redacted]) a representative of the Israeli Prime Ministry (Amiram Nir), and a senior-level Iranian official ([redacted]

[redacted] At this meeting, the Iranians agreed that, if the USG would provide TOW weapons to Iran, they would, in turn, provide same to the Afghan Mujahideen. The U.S. agreed to explore this possibility and, working with the Israelis, established the following mechanism for transfer of the weapons:

- -- The Iranian intermediary (Ghorbanifar) would deposit funds in an Israeli account.
- -- The Israelis would transfer funds to a sterile U.S.-controlled account in an overseas bank.
- -- Using these funds, the CIA would covertly obtain materiel authorized for transfer from U.S. military stocks and transport this to Israel for onward movement to Iran.

Using the procedures stipulated above, funds were deposited in the CIA account in Geneva on February 11, 1986 and on February 14 1,000 TOWs were transported to Israel for pre-positioning. These TOWs were transferred by CIA from DOD (U.S. Army stocks in Anniston, Alabama) and transported through [redacted] using standard CIA-DOD [redacted] logistics arrangements. Policy-level coordination for these arrangements was effected by NSC (North) with DOD (Armitage and Koch) and CIA (Clair George). The TOWs were placed in a covert Israeli facility awaiting onward shipment.

On February 19-21, U.S. and Iranian officials (NSC and CIA) met again in Germany to discuss problems in arranging a meeting among higher-level officials. At this meeting, the U.S. side agreed to provide 1,000 TOWs to Iran as a clear signal of U.S. sincerity. This delivery was commenced on the morning of February 20 and completed in two transits to Tehran on February 21. Transportation from Israel to Iran was aboard a false flag Israeli aircraft.

On March 7, U.S. (CIA and NSC) and Israeli representatives met with the Iranian intermediary in Paris to determine whether any further progress was possible in arranging for a high-level meeting with U.S. and Iranian officials. During these meetings, the intermediary emphasized the deteriorating economic situation in Iran and Iranian anxieties regarding increasing Iraqi military effectiveness.

[redacted]

The escalation of tensions with Libya, leading up to the April 14 strike, prevented further dialogue from taking place until the Iranians urged the intermediary (Ghorbanifar) to accelerate the effort in late April, 1986. At that point, the Iranian expatriate advised us that the leadership in Tehran was prepared to commence a secret dialogue with the United States along the lines of our established goals. We believe that the Iranians were stimulated to renew the contact by the April 17 murder of hostage Peter Kilburn by Libyan authorities, in retaliation for the U.S. raid on Libya. [redacted]. The Iranian expatriate told the NSC and CIA officers, who met with him in Europe at the end of April, that the Iranians did not wish to be accused of any culpability in Kilburn's death. [redacted]

Based on assurances that we could at last meet face-to-face with top-level Iranian officials, on May 15, the President authorized a secret mission to Tehran by former National Security Advisor. McFarlane, accompanied by a CIA annuitant, CIA communicators, members of the NSC staff, and the Israeli and Iranian interlocutors. In order to ensure operational security, the trip was made from Israel, coincident with the delivery of a pallet of spare parts for Iranian defensive weapons systems (HAWK spare electronic parts). At the specific request of the Iranians, alias foreign documentation ([redacted]) -- obtained from the CIA -- was used.

In the course of the four-day (May 25-29) visit, lengthy meetings were held with high-level Iranian officials, the first direct contact between the two governments in over six years. Mr. McFarlane and his team were able to establish the basis for a continuing relationship and clearly articulate our objectives, concerns, and intentions. The group was also able to assess first hand the internal political dynamic in Tehran and the effect of the war which Iran clearly can no longer win. Using Presidentially approved Terms of Reference (Tab A), which had been reviewed and approved by appropriate Cabinet officers, McFarlane emphasized that our interest in Iran transcended the hostages, but the continued detention of hostages by a Lebanese group philosophically aligned with Iran prevented progress. During the visit, Mr. McFarlane made clear:

-- that we fundamentally opposed Iranian efforts to expel us from the Middle East;

-- that we firmly opposed their use of terrorism;

EXHIBIT OLN-20

TOP SECRET UNCLASSIFIED N 5644
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(Maximum Version)

EXHIBIT
OLN-20

U.S./IRANIAN CONTACTS AND THE AMERICAN HOSTAGES

From the earliest months following the Islamic revolution in Iran, the U.S. Government has attempted to reestablish official contact with that government in order to discuss strategic developments in this critical part of the world and reconstruct a working relationship. Even before President Reagan came to office the U.S. Government agreed to try to expand security, economic, political, and intelligence relationships at a pace acceptable to Tehran. In the fall of 1979, the U.S. undertook three secret missions to Tehran:

-- September 1979 - [redacted] met secretly with Bazargan at the request of the Iranians)

-- October 1979 - [redacted]

-- October-November 1979 - [redacted] (discussed normalization of relations)

When these meetings and the secret November 1, 1979 meeting in Algiers, between Brzezinski and Prime Minister Bazargan, became public in Iran, they helped precipitate the takeover of the U.S. Embassy by radical elements and led to the resignation of the Bazargan government. These events have adversely influenced Iran's subsequent willingness to engage in any direct contact with the USG.

Despite mutual difficulties involved in re-establishing normal relations, our strategic interests in the Persian Gulf mandate persistent efforts to establish a dialogue. In this regard, it is notable that only a few major countries do not have relations with Iran -- Egypt, Jordan, Morocco, Israel, South Africa, and the United States. Even Iraq continues to have diplomatic relations with Iran.

Iran is the key to a region of vital importance to the West, yet it is increasingly threatened by growing Soviet military power and political influence along its borders and inside its territory. Over the course of the last two years, the Soviets and their surrogates have moved actively to gain greater influence in the Gulf:

-- The Soviets believe that once Khomeini dies, they will have an excellent opportunity to influence the formation of a government in Tehran that serves Soviet strategic interests in the area.

TOP SECRET
Declassify: OADR

UNCLASSIFIED #87

[illegible] on 5/7/87

N20606
12/4/86

-- Communist nations have become the principal arms suppliers to Iran -- making Iran dependent on this source of supply in contending with an increasingly strengthened Iraq. This leads us to the conclusion that the Soviets may well be attempting to pursue their own revolution in Iran. That is, by fueling both sides in the conflict, the Soviets could well encourage a disastrous "final offensive" by Iran that would precipitate a political disintegration in Iran, leaving a power vacuum which the Soviets could exploit. Specifically, the indicators of Communist influence in Iran are:

[redacted]

The increasing desperation brought on by the costs of the Iran-Iraq war has exacerbated Iran's vulnerability to Soviet influence. Moreover, Soviet designs in Afghanistan, pressure on Pakistan, and actual crossborder strikes in Iran from Afghanistan have made reopening a strategic dialogue increasingly important.

In short, the Soviets were far better positioned to improve significantly their influence in the region in 1985 when we were presented with an opportunity to open a dialogue with Iran. In deciding to exploit this opening, we evaluated previous efforts through more conventional channels which had not succeeded.

About two years ago, senior Iranian officials apparently decided that some accommodation with the U.S. was necessary. Since 1983, various countries have made overtures to the U.S. and Iran in an effort to stimulate direct contact. [redacted] However, internal splits and debates made it difficult for the Iranians to respond to these overtures.

Numerous individuals and private parties have likewise attempted to be helpful as intermediaries in establishing contact in Iran or in seeking Iranian assistance in the release of our citizens held hostage in Lebanon. [redacted]

In 1985, a private American citizen (Michael Ledeen) was approached by a representative of the Israeli government (David Kimche), who reported that they had established a liaison relationship with an Iranian expatriate (Manuchehr Ghorbanifar) in Europe who sought Israeli help in establishing contact with the U.S. Government. In acknowledging the need to demonstrate the bonafides of the officials involved, he (Ghorbanifar) indicated that his "sponsors" in Tehran could also help to resolve the American hostage situation in Beirut.

The Israelis analyzed this intermediary's background exhaustively in order to validate his legitimacy. This analysis led them to have extremely high confidence in his standing and genuine relationship to the highest Iranian officials. Based in large part upon the Israeli evaluation and in recognition of the clear U.S. interest in a dialogue that might, over time, lead to the moderation of Iranian policies, the U.S. established an indirect contact with the Iranian intermediary in mid-1985, through the private U.S. citizen and a senior Israeli official. These contacts were established through the National Security Council staff with the full knowledge of appropriate Cabinet officers. From the very first meeting with the Israelis and the Iranian, it was emphasized that the USG could not proceed with direct contact unless Iran renounced terrorism as an instrument of state policy.

In June of 1985, in the midst of the TWA-847 hijacking, the Israeli officials in direct contact with the Iranian expatriate asked him to use his influence with senior Iranian officials to obtain the release of the hijacked passengers. Two days after this approach, four Americans held separately from the rest of the hijacked passengers were freed and turned over to Syrian authorities. [redacted] Majlis [redacted] Speaker Rafsanjani, who was travelling in the mid-east at the time, and Iranian Foreign Minister Velayati both intervened with the captors. Rafsanjani, in his speech on November 4, 1986, for the first time publicly acknowledged his role in this matter.

In July of 1985, the Israelis advised that they believed they were close to achieving a breakthrough in their contact with Iran and would proceed unless we objected. It is important to note that the U.S. had long been aware of Israeli efforts to maintain discreet contact with Iran and that they had in the past provided Iran with assistance in its war with Iraq. Despite long-term U.S. efforts to convince the Israelis to desist, we believe that Israel continued to provide limited military and industrial technology to Iran -- even after they officially told us that such activities had ceased. The USG judged that the Israelis would persist in these secret deliveries, despite our objections, because they believed it to be in their strategic interests.

On August 22, 1985, a senior Israeli official (David Kimche) visited Washington and met with the National Security Advisor. The Israeli asked us to acquiesce in a single Israeli delivery of defensive military materiel to Tehran. He urged that we allow such an action to take place in order to gain increased influence in Tehran. Mr. McFarlane stated that the U.S. could in no way be construed as an "arms for hostages" deal and that there could be no guarantee that whatever items of U.S. origin Israel sent, could be replaced. We were subsequently informed that the Israelis had delivered 508 TOWs at the end of August. Though we were not specifically aware of the shipment at the time it was made we did make a subsequent decision not to expose this Israeli operation so that we would have the option of exploiting existing Israeli channels with Tehran in our own effort to establish an American strategic dialogue with the Iranian government. The Israelis managed this entire operation, to include delivery, arrangements, funding, and transportation. The total value of this shipment was less than $2 million and, therefore, below the threshold for required reporting of a military equipment transfer under the [redacted] Export Control Act.

On September 14, 1985, Reverend Benjamin Weir was released in Beirut by the Islamic Jihad Organization. This release was preceded by an intense effort on the part of Mr. Terry Waite, the Special Emissary of the Archbishop of Canterbury. To this date, Mr. Waite remains the only Westerner to ever meet directly with the Lebanese kidnappers. [redacted]

UNCLASSIFIED

N 5648

On October 4, 1985, Islamic Jihad announced that it had "executed" Beirut Station Chief William Buckley in retaliation for the October 1 Israeli air raid on PLO installations in Tunis. This announcement led to a series of meetings in Europe among the U.S. (CIA and NSC), Israeli, and Iranian intermediaries. In these meetings, the Iranians indicated that, while their ability to influence the Hizballah was waning, the Hizballah had not killed Buckley; he had in fact died several months earlier of natural causes. We have since substantiated this information in debriefs of Father Jenco and David Jacobsen, both of whom indicate that Buckley probably died on June 3, 1985 of pneumonia-like symptoms.

In late November 1985, the Israelis, responding to urgent entreaties from the Iranians, provided 18 [redacted] HAWK missiles to Iran in order to improve the static defenses around Tehran. The Israeli delivery of HAWK missiles raised U.S. concerns that we could well be creating misunderstandings in Tehran and thereby jeopardizing our objective of arranging a direct meeting with high-level Iranian officials. As a consequence of U.S. initiative and by mutual agreement of all three parties, these missiles were subsequently returned to Israel in February 1986. On December 6-8, 1985, the National Security Advisor met (in London) with the Israeli official and the Iranian contact to make clear the nature of our interest in a dialogue with Iran. At this meeting, Mr. McFarlane stated that our goals were as follows:

- Devising a formula for re-establishing a strategic relationship with Tehran.
- Ending the Iran-Iraq War on honorable terms.
- Convincing Iran to cease its support for terrorism and radical subversion.
- Helping ensure the territorial integrity of Iran and coordinating ways in which we might counter Soviet activities in the region.

Mr. McFarlane made clear that a [redacted] dialogue with Iran would be precluded unless Iran were willing to use its influence to achieve the release of Western hostages in Beirut. He also made clear that we could not and would not engage in trading arms for hostages.

On December 14, the President met in the residence with the Secretaries of State and Defense, the Attorney General, the Director of Central Intelligence and the National Security Advisor to review the findings of Mr. McFarlane's meetings in London, the situation in Iran and the prospects for a strategic dialogue. At this meeting he decided that we should attempt to keep the Israeli channel open as long as it offered possibilities for meetings with high-level Iranian officials.

UNCLASSIFIED

On January 2, the Prime Minister of Israel dispatched a special emissary to the U.S. (Amiram Nir) to review proposals for next steps in dealing with Iran. In that implementation of the Israeli proposals would require the active participation of the intelligence community, the NSC Staff (North) was tasked to prepare a covert action finding. Work on this Presidential finding convened on January 5 and the document was forwarded to the President on January 15 after it had been reviewed by appropriate NSC officials.

[redacted]

On January 17, 1986, the President approved a covert action Finding directing that the intelligence community proceed with special activities aimed at accomplishing the goals set forth above (Tab A). In accord with extant statutes, the President directed that the Director of Central Intelligence refrain from reporting the Finding to the appropriate committees of the Congress until reasonably sure that the lives of those carrying out the operation (both U.S. and foreign) would not be in jeopardy.

On February 5-7, U.S. officials (NSC and CI[redacted], a representative of the Israeli Prime Ministry (Amiram Nir), and a senior-level Iranian official [redacted] met in Germany. At this meeting, the Iranians agreed that, if the USG would provide defensive weapons (TOWs) to Iran, they would, in turn, provide same to the Afghan Mujahideen. The U.S. side agreed to explore this possibility and, working with the Israelis, established the following mechanism for transfer of the weapons:

-- The Iranian intermediary (Ghorbanifar) would deposit funds in an Israeli account.

-- The Israelis would transfer funds to a sterile U.S.-controlled account in an overseas bank.

-- Using these funds, the CIA would covertly obtain materiel authorized for transfer from U.S. military stocks and transport this to Israel for onward movement to Iran.

Using the procedures stipulated above, funds were deposited in the CIA account in Geneva on February 11, 1986 and on February 14 1,000 TOWs were transported to Israel for pre-positioning. These TOWs were transferred by CIA from DOD (U.S. Army stocks in

Anniston, Alabama) and transported through [redacted] using standard CIA-DOD [redacted] logistics arrangements. Policy-level coordination for these arrangements was effected by NSC (North) with DOD (Armitage) and CIA (Clair George). The TOWs were placed in a covert Israeli facility awaiting onward shipment.

On February 19-21, U.S. (NSC and CIA), Israeli and Iranian officials met in Germany to discuss problems in arranging a meeting among higher-level officials. At this meeting, the U.S. side agreed to provide 1,000 TOWs to Iran as a clear signal of U.S. sincerity. This delivery was commenced on the morning of February 20 and completed in two transits to Tehran on February 21. Transportation from Israel to Iran was aboard a false flag Israeli aircraft.

[redacted]

On February 28, the Prime Minister of Israel wrote to President Reagan (Tab B) urging continued efforts to achieve a strategic breakthrough with Iran, but asking consideration for the safety of recently seized Israeli hostages.

On March 7, U.S. (CIA and NSC) and Israeli representatives met with the Iranian intermediary in Paris to determine whether any further progress was possible in arranging for a high-level meeting with U.S. and Iranian officials. During these meetings, the intermediary emphasized the deteriorating economic situation in Iran and Iranian anxieties regarding increasing Iraqi military effectiveness.

The escalation of tensions with Libya, leading up to the April 14 strike, prevented further dialogue from taking place until the Iranians urged the intermediary (Ghorbanifar) to accelerate the effort in late April, 1986. At that point, the Iranian expatriate advised us through the Israeli point-of-contact that the leadership in Tehran was prepared to commence a secret dialogue with the United States along the lines of our established goals. We believe that the Iranians were stimulated to renew the contact by the April 17 murder of hostage Peter Kilburn by Libyan authorities, in retaliation for the U.S. raid on Libya. [redacted]

UNCLASSIFIED N 5651

TOP SECRET

[redacted]

The Iranian expatriate told the NSC and CIA officers, who met with him in Europe at the end of April, that the Iranians did not wish to be accused of any culpability in Kilburn's death.

[redacted]

On May 6, 7, 1986, U.S. and Israeli officers met in London with the Iranian intermediary in which he urged that we take immediate steps to arrange for a high-level U.S./Iranian meeting in Tehran. During the London meeting, the Iranian urged that we (U.S. and Israel) take immediate steps to help with Iranian air defense. He emphasized that the Iraqi Air Force was increasingly effective of late and that the Iranians were desperate to stop attacks on population centers. The Israelis also used this opportunity to privately ask the U.S. to replace the 508 TOWs which they had sent to Iran in August, 1985. The Israelis were informed via coded message on May 15 that the U.S. had agreed to the Iranian request for limited anti-air defense equipment and to replenish the 508 TOWs sent by Israel.

Based on assurances that we could at last meet face-to-face with top-level Iranian officials, on May 15, the President authorized a secret mission to Tehran by former National Security Advisor McFarlane, accompanied by a CIA annuitant, CIA communicators, members of the NSC staff, and the Israeli and Iranian interlocutors.

On May 16, the Iranians, through the Israelis provided $6.5M for deposit in the CIA secure funding mechanism. The funds were used to acquire 508 TOW missiles (for replenishing the TOWs Israel shipped in September 1986) and acquiring HAWK missile spare parts. This material was subsequently moved to [redacted] repackaged and shipped to Kelly AFB for onward movement to Israel on May 22. As in the February shipment, the CIA provided logistics support for the movement of this materiel to Israel.

In order to ensure operational security, the McFarlane trip was made from Israel, coincident with the delivery of a pallet of spare parts for Iranian defensive weapons systems (HAWK spare electronic parts). At the specific request of the Iranians, alias foreign documentation [redacted] -- obtained from the CIA -- was used. CIA also provided covert transportation support from CONUS to Israel for the McFarlane party. The group was transported from Israel to Tehran aboard an Israeli Air Force 707 with false flag markings.

TOP SECRET

UNCLASSIFIED

UNCLASSIFIED N 5652

TOP SECRET

In the course of the four-day (May 25-29) visit, lengthy meetings were held with high-level Iranian officials, the first direct contact between the two governments in over six years. Mr. McFarlane and his team were able to establish the basis for a continuing relationship and clearly articulate our objectives, concerns, and intentions. The group was also able to assess first hand the internal political dynamic in Tehran and the effect of the war which Iran clearly can no longer win. Using Presidentially approved Terms of Reference (Tab B), which had been reviewed and approved by appropriate Cabinet officers, McFarlane emphasized that our interest in Iran transcended the hostages, but the continued detention of hostages by a Lebanese group philosophically aligned with Iran prevented progress. During the visit, Mr. McFarlane made clear:

-- that we fundamentally opposed Iranian efforts to expel us from the Middle East;

-- that we firmly opposed their use of terrorism;

-- that we accepted their revolution and did not seek to reverse it;

-- that we had numerous other disagreements involving regional policies (i.e., Lebanon, Nicaragua, etc.), but might also find areas of common interest (i.e., Afghanistan) through dialogue.

During these meetings, both sides used the opportunity to detail the obstacles to implementing a strategic relationship between the two countries. In addition to the points noted above, Mr. McFarlane emphasized the political problems caused by Iranian involvement in the hostage issue. The Iranians objected to the USG embargo on U.S. military supplies already paid for plus the continued USG blocking of Iranian assets in the U.S., even after U.S. courts had ruled in their favor. During the course of these meetings, the Iranian officials admitted that they could not win the war, but were in a dilemma in Tehran over how to end the conflict given the need to present an Iranian "victory" before it could be concluded. They emphasized that the original aggressor, Saddam Hussein, must be removed from power in order for the war to end. Mr. McFarlane concluded the visit by summarizing that notwithstanding Iranian interest in carrying on with the dialogue, we could not proceed with further discussions in light of their unwillingness to exert the full weight of their influence to cause the release of the Western hostages in Lebanon.

On June 10, Majlis Speaker Rafsanjani, in a speech in Tehran made guarded reference to Iranian interest in improved relations with the U.S. On July 26, Father Lawrence Jenco was released in the Bekka Valley and found his way to a Syrian military checkpoint.

TOP SECRET

UNCLASSIFIED

On August 3, the remaining three pallets (less than ½ planeload) of electronic parts for Iranian anti-aircraft defenses (HAWK missile sub-components) arrived in Tehran. As in all flights to/from Iran this delivery was made with an Israeli Air Force aircraft (707) using false flag markings. Timing of the delivery was based on coordination among U.S., Israeli and Iranian officials.

In early August 1986, the contact with the Iranian expatriate began to focus exclusively on the willingness of the USG to provide military assistance to Iran in exchange for hostages and we sought to establish different channels of communication which would lead us more directly to pragmatic and moderate elements in the Iranian hierarachy. In mid-August, a private American citizen (MGEN Richard Secord, USAF [Ret.]) acting within the purview of the January Covert Action Finding, made contact in Europe with [redacted] a relative [redacted] of a senior Iranian official (Rafsanjani). With the assistance of the CIA, this Iranian [redacted] was brought covertly to Washington for detailed discussions. We judged this effort to be useful in establishing contact with a close confidant of the man judged to be the most influential and pragmatic political figure in Iran (Rafsanjani). These discussions reaffirmed the basic objectives of the U.S. in seeking a political dialogue with Tehran. We also provided intelligence designed to discourage an Iranian offensive and contribute to an Iranian decision to negotiate an end to the war. The intelligence also detailed the Soviet threat to Iran.

Through August, September, and October 1986, numerous additional meetings were held in Europe between U.S. representatives and the new and Iranian contacts. During the October 26, 1986 meeting in Frankfurt, Germany, the U.S. side, as in the past, insisted that the release of the hostages was a pre-requisite to any progress. The Iranian [redacted] urged that we take a more active role in support for the Afghan resistance and suggested again that, if we could provide additional TOW weapons to Iran, they would train and equip more Afghan resistance fighters with these weapons. The Iranians also proffered, and the U.S. accepted, the offer of a Soviet T-72 tank [redacted] At this meeting, [redacted] stated that there was a "very good chance that another American or two would be freed soon." On October 29, with U.S. acquiescence, Israel provided Iran with an additional increment of defensive weapons (500 TOW missiles).

Late on October 31, [redacted] called the U.S. citizen (Hakim) tasked to maintain contact and advised that Iran had "exercised its influence with the Lebanese" in order to obtain the release of an American -- David Jacobsen -- and an uncertain number of French hostages. He further noted that this would be part of the purpose of the Iranian Foreign Minister's visit to Syria -- an event we became aware of on November 1, 1986. [redacted] stated that the situation in Tehran, as well as Iranian influence over Hizballah were both deteriorating [redacted] On November 2, David Jacobsen was released by his captors near the old American Embassy compound in West Beirut. The U.S. Embassy in East Beirut immediately dispatched an embassy officer to West Beirut to pick up Mr. Jacobsen.

It is now apparent that persistent U.S. efforts to establish contact with Iran and subsequent public speculation regarding these contacts have probably exacerbated the power struggle in Iran between pragmatic elements (led by Rafsanjani) and more radical factions (under the overall sponsorship of Ayatollah Montazeri). In late October, radical supporters (of Montazeri) revealed the (Rafsanjani) contact with the USG and the terms of the contact. In order to defend himself against charges of colluding with the USG and to preserve a degree of latitude for both parties, Majlis Speaker Rafsanjani provided a purposely distorted version of the May 1986 McFarlane mission in his November 4 address to the masses. Moderate Iranian political leaders apparently now feel constrained to settle their internal political problems before proceeding with the U.S. relationship. The revelations in Tehran regarding the McFarlane mission are demonstrable evidence of the internal power struggle. The October 1986 arrest of radical leader Mehdi Hashemi, a close confidant and son in-law of Ayatollah Montezari, for acts of terrorism and treason has caused further internal conflict.

Resolution of the Lebanon hostage situation is also complicated by waning Iranian influence in Lebanon due in part to financial constraints and the fact that the Libyans are expanding their contacts with more radical Hizballah elements. [redacted]

On November 7, the day after a meeting with U.S. officials, Iranian government authorities arrested six other individuals involved in radical activities. Among the two were senior military officers and a Majlis deputy (Ahmad Kashani), the grandson of Ayatollah Kashani, a conspirator in the 1949 attempt against the Shah. Despite these internal difficulties and attendant publicity in the Western media, the Iranians continue to maintain direct contact with the USG and met again in Geneva on November 9-10 with NSC and CIA representatives [redacted]

It is important to note that since the initiation of the USG contact with Iran there has been no evidence of Iranian government complicity in acts of terrorism against the U.S. We believe that the September-October kidnappings of Messrs. Reed, Cicippio, and Tracy were undertaken in an effort to undermine the nascent U.S.-Iranian strategic dialogue and exacerbate the internal Iranian power struggle against the moderate faction with which we have been in contact. [redacted] Contrary to speculative reports that these hostages were taken in order to stimulate the acquisition of more arms, they were most likely captured in order to prevent the very rapprochement with Iran we are seeking.

Throughout this process, the USG has acted within the limits of established policy and in compliance with all U.S. law. The shipment of 2,008 U.S. TOWs and 235 HAWK missile parts was undertaken under the provisions of a covert action Finding.

During the course of this operation [illegible] and before [illegible] U.S. was cognizant of only two shipments from Israel to Iran. Specifically,

-- The Israelis acknowledged the [illegible] shipment of 508 TOWs after it had taken place. Until we were advised by the Israelis, and had the information subsequently confirmed by Iranian authorities, we were unaware of the composition of the shipment. We subsequently agreed to replace these TOWs in May of 1986.

-- The October 1986 shipment of 500 TOWs from Israel to Iran was undertaken with U.S. acquiescence. These TOWs were replaced on November 7.

-- The November 1985 shipment of 8 Israeli HAWK missiles was not an authorized exception to policy. This shipment was eventually retrieved in February 1986 as a consequence of U.S. intervention.

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N 5656

In support of this Finding and at the direction of the President, the CIA provided the following operational assistance:

-- Sterile overseas bank accounts for financial transactions.

-- A secure transhipment point for the dispatch of U.S. military items from the U.S.

-- Transhipment of military items from the U.S. to Israel.

-- Communications and intelligence support for the meetings with Iranian officials and the McFarlane trip to Tehran in May.

-- Cleared meeting sites in Europe for meetings with Iranian officials.

-- Alias documentation for U.S. and foreign officials for meetings in Europe and Tehran.

The weapons and materiel provided under this program were judged to be inadequate to alter either the balance of military power or the outcome of the war with Iraq. They have, however, [redacted] demonstrated the U.S. commitment to Iranian territorial integrity and served to support those in Iran interested in opening a strategic relationship with the U.S. They have also furthered U.S. efforts over the last 18 months have had tangible results on Iranian policy:

-- The Rafsanjani/Velayati intervention on behalf of the TWA #847 passengers (June 1985).

-- Iranian direction that the hijacked Pan Am #73 would not be received in Iranian territory if it left Karachi.

-- [redacted]

-- The release of three American and at least two French hostages.

-- The initiation of an Iranian dialogue with their regional neighbors.

-- The Iranian "final offensive."

UNCLASSIFIED

UNCLASSIFIED N 5657

Finally, it must also be noted that the U.S. arms embargo notwithstanding, West European nations have provided $500 million a year in military equipment to Iran. Most of these transfers were accomplished with government knowledge and/or acquiescence.

All appropriate Cabinet Officers have been apprised throughout. The Congress was not briefed on the covert action Finding due to the extraordinary sensitivity of our Iranian contacts and the potential consequences for our strategic position in Southwest Asia. Finally, our efforts to achieve the release of the hostages in Lebanon must continue to rely on discreet contacts and intermediaries who cannot perform if they are revealed.

EXHIBIT OLN-21

EXHIBIT
OLN-21

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FILE [illegible]     CPSLOG11 A0  WHITE HOUSE COMMUNICATIONS AGENCY                PAGE 235

[redacted]
                                                                          1,1P
[redacted]

      Perspective
MSG FROM: NSOLN   --CPUA     TO: NSBLM   --CPUA            11/10/86 19:55:15
To: NSRLE   --CPUA

NOTE FROM: OLIVER NORTH
Subject: Opening to Iran
Let's get our littlenipper in here and find out wtf is going on.
```

EXHIBIT OLN-22

[redacted]

FLD: OPSMAIL [redacted] OO WHITE HOUSE COMMUNICATIONS AGENCY [redacted] PAGE 001

MSG FROM: NSRCM --CPUA TO: NSJMP --CPUA 11/18/86 21:02:40
To: NSJMP --CPUA JOHN M. POINDEXTER

-- ~~SECRET~~ --

NOTE FROM: ROBERT MCFARLANE
SUBJECT: Draft insert

After thinking about the point I made at lunch today about mentioning the very reasonable basis for expecting that Iranian officials did have an interest in change, and after re-reading the statement, I feel less strongly that it needs to be in the opening statement.

But I guess I do believe that it is a point that you should stress in your pre-press conference brief so that he has it in his head to use as a plus. Just so long as it comes out on the record that any fool can well imagine a number of reasons why Iranians would want to change the status quo--war with Iraq, tensions among North and East, dwindling foreign exchange, internal unrest etc.

cc: NSAGK --CPUA ALTON G. KEEL

Draft insert
MSG FROM: NSRCM --CPUA TO: NSJMP --CPUA 11/18/86 21:04:30
To: NSJMP --CPUA JOHN M. POINDEXTER

-- ~~SECRET~~ --

NOTE FROM: ROBERT MCFARLANE
SUBJECT: Edits to chronology

I am working on the edits for the chronology now and will send them to you later tonight.

cc: NSAGK --CPUA ALTON G. KEEL

Edits to chronology
MSG FROM: NSRCM --CPUA TO: NSJMP --CPUA 11/18/86 21:06:30
To: NSJMP --CPUA JOHN M. POINDEXTER

-- ~~SECRET~~ --

NOTE FROM: ROBERT MCFARLANE
SUBJECT: Chronology

I have just finished reading the chronology. Much of it is coming to me for the first time--primarily the material on what went on between Jan-May'86--and I am not really able to comment on how to deal with that.

It seems to me that I ought to limit my input to what I recall from my involvement before Jan '86 and then from the May meeting. In that context, I would recommend deleting all material starting on the 11/17 (2000) version at page three, penultimate para (i.e. In 1985, a private...) down through the third para on the following page (ending with...strategic dialogue with the Iranian government.) and replace with the following.

N 10512

EXHIBIT
OLN-22

[redacted]

[redacted]

N 10513

[redacted]

"In July of 1985, during a visit to Washington, an Israeli diplomat advised National Security Advisor, Robert McFarlane, that Israel had established a channel of communication with authoritative elements in Iran who were interested in determining whether the United States was open to a discreet, high level dialogue with them. The Iranians were described as comprising the principal figures of the government (i.e.,Speaker of the Majlis Rafsanjani and Prime Minister Mousavi) and as being devoted to a reorientation of Iranian policy.

At this first meeting, McFarlane went to great length to draw out the Israeli diplomat as to why he found the Iranian proposal credible, given the events of the past 6 years. He replied that their exhaustive analysis had gone beyond the surface logic deriving from the chaos and decline within Iran and the degenerative effects of the war, to more concrete tests of the willingness of the Iranians to take personal risks (i.e., by exposure of themselves in meetings with Israelis to compromise as well as by the transfer of extremely sensitive intelligence on the situation (and political lineup) within Iran; information which was proven valid).

White Paper

The Israeli asked for our position/agreeing to open such a dialogue. No mention was made of any pre-conditions or Iranian priorities. McFarlane conveyed this proposal to the President (in the presence of the Chief of Staff). The President said that he believed such a dialogue would be worthwhile at least to the point of determining the validity of the interlocutors. This was conveyed back to the Israeli diplomat.

Within days the Israeli called again on McFarlane. At this meeting, he stated that he had conveyed our position and that the Iranians had responded that recognizing the need for both sides to have tangible evidence of the bona fides of the other, that from their side they wanted us to know that they believed they could affect the release of the Americans held hostage in Lebanon.

[redacted]

As a separate matter the Iranians stated that they were vulnerable as a group and before having any prospect of being able to affect change within Iran they would need to be substantially strengthened. To do so, they would need to secure the cooperation of military and/or Revolutionary Guard leaders. Toward this end, they expressed the view that the most credible demonstration of their influence and abilities would be to secure limited amounts of US equipment. The Israeli asked for our position toward such actions.

Mr McFarlane elevated this proposition to the President at a meeting within days that included the Secretaries of State and Defense and the Director of Central Intelligence. The President stated that while he could understand that, assuming the legitimacy of the interlocutors, they would be quite vulnerable and ultimately might deserve our support to include tangible material, that at the time, without any first hand experience in dealing with them, he could not authorize any transfers of military material. This was conveyed to the Israeli.

Within days (mid August) the Israeli diplomat called once more to report that the message had been conveyed and that an impasse of confidence existed. He asked what the position of the US government would be to an Israeli transfer of [illegible] quantities of material. McFarlane replied that to him, that would

[redacted]

[redacted]

represent a distinction without a difference. The Israeli diplomat explained at great length that Israel had its own policy interests that would be served by fostering such a dialogue in behalf of the US but that a problem would arise when ultimately they needed to replace items shipped. He asked whether at that time Israel would be able to purchase replacement parts. McFarlane stated that again, the issue was not the ability of Israel to purchase military equipment from the US--they had done so for a generation and would do so in the future--but rather the issue was whether it was US policy to ship or allow others to ship military equipment to Iran. The Israeli asked for a position from our government. McFarlane elevated the question to the President (and to the Secretaries of State and Defense and the DCI). Again the President stated that while he could imagine the day coming when we might choose to support such elements with material, he could not approve any transfer of military material at that time. This position was conveyed to the Israeli diplomat.

On September 14,1985, Reverend Benjamin Weir...(Continue as written on page 9)

(At end of para, insert the following: We subsequently learned that in late August the Israelis had transferred 100 TOW missiles to Iran. Later in the fall, other transfers of equipment were made between Israel and Iran although some of the items were returned to Israel. McFarlane conveyed these reports to the President who directed that we insist on a direct meeting with the Iranian interlocutors while expressing our position against further arms transfers. A meeting was arranged to take place in London in early December. The President instructed McFarlane to represent the US at the meeting and to make two basic points: 1. That the US was open to a political dialogue with Iran; but that no such dialogue could make progress for as long as groups seen as dominated by Iran held US hostages, and 2. That we could under no circumstances transfer arms to Iran in exchange for hostages. These points were made to the Iranian interlocutor. He replied that unless his circle of associates were strengthened they could not risk going ahead with the exchanges. Mr. McFarlane acknowledged the position but stated we could not change our position and returned to Washington. He debriefed the President and appropriate Cabinet officers, recommending that no further action be pursued. He then left the government.

Withd.
Pass

(Note: Enter at the appropriate place, the following account of RCM's involvement in the May meeting.)

In April, Mr McFarlane was contacted and advised that further staff level contacts had been pursued since he had left government that had led to an arrangement for the release of the remaining hostages. He was asked whether he would be prepared to meet with Iranian officials to open the political dialogue. He agreed to do so and traveled to Iran in late May to do so. (Then pick up with existing text).

cc: NSAGB --CPMA ALTON -- NSEL

@Chronology

[redacted]

EXHIBIT OLN-23

TOP SECRET

UNCL SECRET

11/20/86 2000
(Historical Chronology)

U.S./IRANIAN CONTACTS AND THE AMERICAN HOSTAGES

From the earliest months following the Islamic revolution in Iran, the U.S. Government has attempted to reestablish official contact with that government in order to discuss strategic developments in this critical part of the world and reconstruct a working relationship. Even before President Reagan came to office the U.S. Government agreed to try to expand security, economic, political, and intelligence relationships at a pace acceptable to Tehran. In the fall of 1979, the U.S. undertook three secret missions to Tehran:

-- September 1979 - [redacted] (met secretly with Bazargan at the request of the Iranians)

-- October 1979 - [redacted]

-- October-November 1979 - [redacted] (discussed normalization of relations)

When these meetings and the secret November 1, 1979 meeting in Algiers, between Brzezinski and Prime Minister Bazargan, became public in Iran, they helped precipitate the takeover of the U.S. Embassy by radical elements and led to the resignation of the Bazargan government. These events have adversely influenced Iran's subsequent willingness to engage in any direct contact with the USG.

Despite mutual difficulties involved in reestablishing normal relations, our strategic interests in the Persian Gulf mandate persistent efforts to establish a dialogue. In this regard, it is notable that only a few major countries do not have relations with Iran -- Egypt, Jordan, Morocco, Israel, South Africa, and the United States. Even Iraq continues to have diplomatic relations with Iran.

Iran is the key to a region of vital importance to the West, yet it is increasingly threatened by growing Soviet military power and political influence along its borders and inside its territory. Over the course of the last two years, the Soviets and their surrogates have moved actively to gain greater influence in the Gulf:

-- The Soviets believe that once Khomeini dies, they will have an excellent opportunity to influence the formation of a government in Tehran that serves Soviet strategic interests in the area.

EXHIBIT
OLN-23

UNCLA TOP SECRET

Partially Declassified/Released on 5 May 87
under provisions of E.O. 12356
by B. Reger, National Security Council

TOP SECRET
Declassify: OADR

-- Communist nations have become the principal arms suppliers to Iran -- making Iran dependent on this source of supply in contending with an increasingly strengthened Iraq. This leads us to the conclusion that the Soviets may well be attempting to pursue their own revolution in Iran. That is, by fueling both sides in the conflict, the Soviets could well encourage a disastrous 'final offensive' by Iran that would precipitate a political disintegration in Iran, leaving a power vacuum which the Soviets could exploit. Specifically, the indicators of Communist influence in Iran are:

[redacted]

The increasing desperation brought on by the costs of the Iran-Ira war has exacerbated Iran's vulnerability to Soviet influence. Moreover, Soviet designs in Afghanistan, pressure on Pakistan, and actual crossborder strikes in Iran from Afghanistan have made reopening a strategic dialogue increasingly important.

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In short, the Soviets were far better positioned to improve significantly their influence in the region in 1985 when we were presented with an opportunity to open a dialogue with Iran. In deciding to exploit this opening, we evaluated previous efforts through more conventional channels which had not succeeded.

About two years ago, senior Iranian officials apparently decided that some accommodation with the U.S. was necessary. Since 1983, various countries have been engaged in overtures to the U.S. and Iran in an effort to stimulate direct contact between the two countries. [redacted] Turkey have all attempted to serve as interlocutors in this [redacted] However, internal splits and debates made it difficult for the Iranians to respond to these overtures.

Numerous individuals and private parties have likewise attempted to be helpful as intermediaries in establishing contact in Iran or in seeking Iranian assistance in the release of our citizens held hostage in Lebanon. [redacted]

In the spring of 1985, a private American citizen (Michael Ledeen) learned from an Israeli government official (David Kimche) that the Israelis had established a liaison relationship with an Iranian expatriate (Manuchehr Ghorbanifar) in Europe who sought Israeli help in establishing contact with the U.S. Government. In acknowledging the need to demonstrate the bonafides of the Iranian officials involved, he (Ghorbanifar) indicated that his "sponsors" in Tehran could also help to resolve the American hostage situation in Beirut.

In June of 1985, in the midst of the TWA-847 hijacking, the Israeli officials in direct contact with the Iranian expatriate asked him to use his influence with senior Iranian officials to obtain the release of the hijacked passengers. Two days after this approach, four Americans held separately from the rest of the hijacked passengers were freed and turned over to Syrian authorities. [redacted]jlis Speaker Rafsanjani, [redacted] mid-east at the time, and Iranian [redacted] intervened with the captors. Rafsanjani, in his speech on November 4, 1986, for the first time publicly acknowledged his role in this matter.

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Verbatim McF chrono with word edits

On July 3, 1985, during a visit to Washington, an Israeli official (Kimche) advised National Security Advisor, Robert McFarlane, that Israel had established a channel of communication with authoritative elements in Iran who were interested in determining whether the United States was open to a discreet, high-level dialogue. The Iranians were described as comprising the principal figures of the government (i.e., Speaker of the Majlis Rafsanjani, Prime Minister Musavi, and Khomeini's heir-apparent, Ayatollah Montazeri) and as being devoted to a reorientation of Iranian policy.

At this first meeting, McFarlane went to great length to draw out the Israeli as to why he found the Iranian proposal credible, given the events of the past six years. The Israeli replied that their exhaustive analysis had gone beyond the surface logic deriving from the chaos and decline within Iran and the degenerative effects of the war, to more concrete tests of the willingness of the Iranians to take personal risks. He noted that the Iranians had exposed themselves to possible compromise by meeting with Israelis and by passing extremely sensitive intelligence [redacted] within Iran -- information which was [redacted]

The Israeli asked for our position on opening such a dialogue. No mention was made of any preconditions or Iranian priorities. McFarlane conveyed this proposal to the President (in the presence of the Chief of Staff). The President said that he believed such a dialogue would be worthwhile at least to the point of determining the validity of the interlocutors. This decision was passed to the Israeli diplomat by telephone on July 30.

added by OLN?

added?

On August 2, 1985, the Israeli called again on McFarlane. At this meeting, he stated that he had conveyed our position to the Iranian intermediary and that the Iranians had responded that they recognized the need for both sides to have tangible evidence of the bona fides of the other and that they believed they could affect the release of the Americans held hostage in Lebanon.

added

According to the Israeli, the Iranians separately stated that they were vulnerable as a group and before having any prospect of being able to affect change within Iran they would need to be substantially strengthened. To do so, they would need to secure the cooperation of military and/or Revolutionary Guard leaders. Toward this end, they expressed the view that the most credible demonstration of their influence and abilities would be to secure limited amounts of U.S. equipment. The Israeli asked for our position on such actions.

McF chrono

Mr. McFarlane elevated this proposition to the President at a meeting within days that included the Secretaries of State and Defense and the Director of Central Intelligence. The President stated that, while he could understand that assuming the legitimacy of the interlocutors, they would be quite vulnerable and ultimately might deserve our support to include tangible materiel; at the time, without any first hand experience in dealing with them, he could not authorize any transfers of military materiel. This was conveyed to the Israeli.

added

On August 22, 1985, the Israeli diplomat called once more to report that the message had been conveyed and that an impasse of confidence existed. He asked what the position of the U.S. Government would be to an Israeli transfer of modest quantities of defensive military materiel. McFarlane replied that to him, such an action would represent a distinction without a difference. The Israeli diplomat explained at great length that Israel had its own policy interests that would be served by fostering such a dialogue in [illegible] that a problem would arise when [illegible] shipped. He asked whether [illegible] for items they [illegible] issue was not the ability of [illegible] from the U.S. -- they [illegible] the future -- but [illegible] whether [illegible] policy to ship or allow others to ship military equipment to Iran. The Israeli asked for a position from our government. McFarlane elevated the question to the President (and to the Secretaries of State and Defense and the Director of Central Intelligence). The President stated that, while he could envision providing materiel support to moderate elements in Iran if all the Western hostages were freed, he could not approve any transfer of military materiel at that time. This position was conveyed to the Israeli diplomat.

On September 14, 1985, Reverend Benjamin Weir was released in Beirut by the Islamic Jihad Organization. This release was preceded by an intense effort on the part of Mr. Terry Waite, the Special Emissary of the Archbishop of Canterbury. To this date, Mr. Waite remains the only Westerner to ever meet directly with the Lebanese Kidnappers. [redacted]

30 Aug ?. McF chrono

In late September, we learned that the Israelis had transferred 508 TOW missiles to Iran and that this shipment had taken place in late August. The Israelis told us that they undertook the action, despite our objections, because they believed it to be in their strategic interests. The Israelis managed this entire operation, to include delivery arrangements, funding, and transportation. After discussing this matter with the President, it was decided not to expose this Israeli delivery because we wanted to retain the option of exploiting the existing Israeli channel with Tehran in our own effort to establish a strategic dialogue with the Iranian government. The total value of the 508 TOWs shipped by Israel was estimated to be less than $2 million.

On October 4, 1985, Islamic Jihad announced that it had "executed" Beirut Station Chief William Buckley in retaliation for the October 1 Israeli air raid on PLO installations in Tunis. This announcement led to a series of meetings in Europe among the U.S. (CIA and NSC), Israeli, and Iranian intermediaries. In these meetings, the Iranians indicated that, while their ability to influence the Hizballah was waning, the Hizballah had not killed Buckley; he had in fact [illegible] several months earlier of natural causes. We have since [redacted] in debriefs of Father Jenco and David Jacobsen, both of whom indicate that Buckley probably died on June 3, 1985 of pneumonia-like symptoms.

In mid-November, the Israelis, through a senior officer in the Foreign Minister's office (Kimche), indicated that the Government of Israel was convinced that they were nearing a breakthrough with Iran on a high-level dialogue. The Israeli contacted a U.S. official (North) and asked for the name of a European-based airline which could discreetly transit to Iran for the purpose of delivering passengers and cargo. He specifically noted that neither a U.S. carrier nor an Israeli affiliated carrier could be used. We were assured, at the time, that the Israelis were going to "try oil drilling parts as an incentive," since we had expressed so much displeasure over the earlier TOW shipment. The name of the proprietary [redacted] was passed to the Israeli, who subsequently had the aircraft chartered through normal commercial contract for a flight from Tel Aviv to Tabriz, Iran, on November 25, 1985. The Israelis were unwitting of the CIA's involvement in the airline and the airline was paid at the normal commercial charter rate (approximately $127,700). The airline personel were also unwitting of the cargo they carried.

→ In January, we learned that the Israelis, responding to urgent entreaties from the Iranians, has used the proprietary aircraft to transport 18 HAWK missiles to Iran in an effort to improve the static air defenses around Tehran. Our belated awareness that the Israeli's had delivered HAWK missiles raised serious U.S. concerns that these deliveries were jeopardizing our objective of arranging a direct meeting with high-level Iranian officials. As a consequence of U.S. initiative and by mutual agreement of all three parties, these missiles were returned to Israel in February 1986.

On December 7, the President convened a meeting in the White House (residence) to discuss next steps in our efforts to establish direct contact with the Iranians. Attending the

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meeting were the Chief of Staff, Secretaries of State and Defense; the Deputy Director of Central Intelligence, and the Assistant to the President for National Security Affairs and his Deputy. Immediately after the meeting, Mr. McFarlane departed for London to meet with the Israeli official and the Iranian contact to make clear the nature of our interest in a dialogue with Iran. At this meeting, Mr. McFarlane, as instructed by the President, stated that:

- -- the U.S. was open to a political dialogue with Iran, but that no such dialogue could make progress for as long as groups seen as dominated by Iran held U.S. hostages; and
- -- the U.S. could under no circumstances transfer arms to Iran in exchange for hostages.

not chrono but in diff'n context

These points were made directly to the Iranian interlocutor. The Iranian replied that, unless his associates in Tehran were strengthened, they could not risk going ahead with the dialogue. Mr. McFarlane acknowledged the position but stated we could not change our position. In a separate meeting with the Israeli official, Mr. McFarlane made clear our strong objections to Israeli weapons shipments to Iran. Following these meetings, Mr. McFarlane returned to Washington and shortly thereafter left active government service.

On January 2, the Prime Minister of Israel dispatched a special emissary to the U.S. (Amiram Nir) to review proposals for next steps in dealing with Iran. The Israelis urged that we reconsider the issue of providing limited defensive arms to those attempting to take power in Tehran, since all other incentives (economic assistance, medical supplies, machine parts) were of no value in shoring-up those who wanted an opening to the West. Admiral Poindexter noted our stringent objections to the HAWK missile shipments in November and noted that the U.S. would have to act to have them returned (a step undertaken in February, when all 18 missiles were returned to Israel). In that any implementation of the Israeli proposals would require the active participation of the intelligence community, the NSC Staff (North) was tasked to prepare a covert action finding. Work on this Presidential finding commenced on January 4.

On January 6, the President, the Vice President, the Chief of Staff, and the National Security Advisor and his assistant reviewed the first draft of the Finding and the recommendations made by the Prime Minister of Israel through his special emissary.

On January 7, the President met in the Oval Office with the Vice President, the Chief of Staff, Secretaries Shultz and Weinberger, Attorney General Meese, Director Casey, and the National Security

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Adviser to discuss the overall situation in Iran and prospects for a strategic dialogue. It was again noted that Mr. McFarlane, on return from his trip to London, had recommended that no further action be taken unless a mechanism could be established by which the U.S. could exert better control over events. He agreed, in principle, with Director Casey that providing limited quantities of defensive arms after the hostages were released still had merit. Both Secretary Shultz and Secretary Weinberger objected to any provision of arms, citing that we could not be sure that these would really help moderate elements and that, if exposed, the project would not be understood by moderate Arabs and would be seen as contravening our policy of not dealing with states that support terrorism. The President decided that we should attempt to keep the Israeli channel active as long as it offered possibilities for meetings with high-level Iranian officials and left open the issue of providing defensive arms to Iran if all the hostages were released.

It was further determined by the President that any dialogue with the Iranians must be aimed at achieving the following goals:

-- Devising a formula for re-establishing a strategic relationship with Tehran.

- Ending the Iran-Iraq War on honorable terms.

- Convincing Iran to cease its support for terrorism and radical subversion.

- Helping ensure [redacted] Iran and coordinating [redacted] counter Soviet activities in [redacted] region.

The President made clear that a Western dialogue with Iran would be precluded unless Iran were willing to use its influence to achieve the release of Western hostages in Beirut. He also made clear that we could not and would not engage in trading arms for hostages. Secretaries Shultz and Weinberger retained their original position on providing any amrs to Iran, but Attorney General Meese and Director Casey both supported the concept as a valid means of opening the dialogue. Attorney General Meese noted a 1981 determination by then Attorney General French Smith that transferring small quantities of arms through third countries under a Covert Action Finding was not illegal.

[redacted]

On January 16, a meeting was held in the National Security Advisor's office with Secretary Weinberger, Attorney General Meese, Director Casey, and CIA General Counsel Stanley Sporkin. At this meeting, the final draft of the Covert Action Finding was reviewed and was forwarded to the President with Secretary Weinberger dissenting.

On January 17, 1986, the President approved a Covert Action Finding (Tab A) directing that the intelligence community proceed with special activities aimed at accomplishing the goals set forth above. The President futher determined that the activities authorized by the Finding justified withholding prior Congressional notification due to the extreme sensitivity of the dialogue being established. He further noted that public knowledge of the program would place the American hostages in Lebanon at greater risk. Noting his concern for the lives of those carrying out the operation (both U.S. and foreign), he directed that the Director of Central Intelligence refrain from reporting the Finding to the appropriate committees of the Congress until reasonably sure that those involved would no longer be in jeopardy.

On [redacted] a [redacted], and a [redacted]

B. [redacted]-et in London. At this meeting, the Iranians agreed that, if the USG would provide defensive weapons (TOWs) to Iran, [redacted] The U.S. side agreed to explore this possibility and, working with the Israelis, established the following mechanism for transfer of the weapons:

-- The Iranian intermediary (Ghorbanifar) would deposit funds in an Israeli account.

-- The Israelis would transfer funds to a sterile U.S.-controlled account in an overseas bank.

-- Using these funds, the CIA would covertly obtain materiel authorized for transfer from U.S. military stocks and transport this to Israel for onward movement to Iran.

Using the procedures stipulated above, $3.7 million was deposited in the CIA account in Geneva on February 11, 1986 and on February 14, 1,000 TOWs were transported to Israel for pre-positioning. These TOWs were transferred by CIA from DOD (U.S. Army stocks in Anniston, Alabama) and transported through [redacted] using standard-CIA-DOD [redacted] logistics arrangements. Policy-level coordination for these arrangements was effected by NSC (North) with DOD (Armitage) and CIA (Clair George). The TOWs were placed in a covert Israeli facility awaiting onward shipment.

On February 19-21, U.S. (NSC and CIA), Israeli and Iranian officials met in Germany to discuss problems in arranging a meeting among higher-level officials. At this meeting, the Iranians committed [redacted] After coded authorization was received from Washington, the U.S. side agreed to provide 1,000 TOWs to Iran as a clear signal of U.S. sincerity. This delivery was commenced on the morning of February 20 and completed in two transits to Tehran on February 21. Transportation from Israel to Iran was aboard a false flag Israeli aircraft. On the return flight from Iran, these aircraft carried the 18 HAWK missiles which Israel had sent to Tehran in November 1985 with USG aforeknowledge.

?

[redacted]

On February 24, U.S. (CIA and NSC) officials met again in Frankfurt with the Israeli and Iranian officials to discuss next steps. At this meeting, the U.S. side urged that the Iranians expedite a meeting among higher-level officials on both sides.

On February 28, the Prime Minister of Israel wrote to President Reagan (Tab B) urging continued efforts to achieve a strategic breakthrough with Iran, but asking consideration for the safety of recently seized Israeli hostages.

On March 7, U.S. (CIA and NSC) and Israeli representatives met with the Iranian intermediary in Paris to determine whether any further progress was possible in arranging for a high-level meeting with U.S. and Iranian officials. During these meetings, the intermediary emphasized the deteriorating economic situation in Iran and Iranian anxieties regarding increasing Iraqi military effectiveness.

The escalation of tensions with Libya, leading up to the April 14 strike, prevented further dialogue from taking place until the Iranians urged the intermediary (Ghorbanifar) to accelerate the effort in late April, 1986. At that point, the Iranian expatriat advised us through the Israeli point-of-contact that the leadership in Tehran was prepared to commence a secret dialogue with the United States along the lines of our established goals. We believe that the Iranians were stimulated to renew the contact by the April 17 murder of hostage Peter Kilburn [redacted] in retaliation for the U.S. raid on Libya.

[redacted]

The Iranian expatriate told the NSC and CIA officers, who met with him in Europe at the end of April, that the Iranians did not wish to be accused of any culpability in Kilburn's death.

[redacted]

On May 6, 7, 1986, U.S. and Israeli officers met in London with the Iranian intermediary in which he urged that we take immediate steps to arrange for a high-level U.S./Iranian meeting in Tehran. During the London meeting, the Iranian urged that we (U.S. and Israel) act urgently to help with Iranian air defense. He emphasized that the Iraqi Air Force was increasingly effective of late and that the Iranians were desperate to stop attacks on population centers. The Israelis also used this opportunity to privately ask the U.S. to replace the 508 TOWs which they had sent to Iran in August, 1985.

Based on assurances that we could at last meet face-to-face with top-level Iranian officials, on May 15, the President authorized a secret mission to Tehran by former National Security Advisor McFarlane, accompanied by a CIA annuitant, CIA communicators, members of the NSC staff, and the Israeli and Iranian interlocutors. The Israelis were informed via coded message on May 15 that the U.S. had agreed to the Iranian request for limited anti-air defense equipment and to replenish the 508 TOWs sent by Israel.

On May 16, the Iranians, through the Israelis provided $6.5M for deposit in the CIA secure funding mechanism. The funds were used to acquire 508 TOW missiles (for replenishing the TOWs Israel shipped in September 1985) and acquiring HAWK missile electronic spare parts. This material was subsequently moved to [redacted] repackaged and shipped to Kelly AFB for onward movement to Israel on May 22. As in the February shipment, the CIA provided logistics support for the movement of this materiel to Israel.

In order to ensure operational security, the McFarlane trip was made from Israel, coincident with the delivery of a pallet of spare parts for Iranian defensive weapons systems (HAWK spare electronic parts). At the specific request of the Iranians, alias foreign documentation [redacted] obtained from the CIA -- was used. CIA also provided covert transportation support from CONUS to Israel for the McFarlane party. The group was transported from Israel to Tehran aboard an Israeli Air Force 707 with false flag markings.

In the course of the four-day (May 25-28) visit, lengthy meetings were held with high-level Iranian officials, the first direct contact between the two governments in over six years. Mr. McFarlane and his team were able to establish the basis for a continuing relationship and clearly articulate our objectives, concerns, and intentions. The group was also able to assess first hand the internal political dynamic in Tehran and the effect of the war which Iran clearly can no longer win. Using Presidentially approved Terms of Reference (Tab B), which had been reviewed and approved by appropriate Cabinet officers, McFarlane emphasized that our interest in Iran transcended the hostages, but the continued detention of hostages by a Lebanese group philosophically aligned with Iran prevented progress. During the visit, Mr. McFarlane made clear:

- -- that we fundamentally opposed Iranian efforts to expel us from the Middle East;
- -- that we firmly opposed their use of terrorism;
- -- that we accepted their revolution and did not seek to reverse it;
- -- that we had numerous other disagreements involving regional policies (i.e., Lebanon, Nicaragua, etc.), but might also find areas of common interest (i.e., Afghanistan and the Soviet threat to the Gulf) through dialogue.

During these meetings, both sides used the opportunity to detail the obstacles to implementing a strategic relationship between the two countries. In addition to the points noted above, Mr. McFarlane emphasized the political problems caused by Iranian involvement in the hostage issue. The Iranians objected to the USG embargo on U.S. military supplies already paid for plus the continued USG blocking of Iranian assets in the U.S., even after U.S. courts had ruled in their favor. During the course of these meetings, the Iranian officials admitted that they could not win the war, but were in a dilemma in Tehran over how to end the conflict given the need to present an Iranian "victory" before it could be concluded. They emphasized that the original aggressor, Saddam Hussein, must be removed from power in order for the war to end. Mr. McFarlane concluded the visit by summarizing that notwithstanding Iranian interest in carrying on with the dialogue, we could not proceed with further discussions in light of their unwillingness to exert the full weight of their influence to cause the release of the Western hostages in Lebanon.

On June 10, Majlis Speaker Rafsanjani, in a speech in Tehran made guarded reference to Iranian interest in improved relations with the U.S. On July 26, Father Lawrence Jenco was released in the Bekka Valley and found his way to a Syrian military checkpoint.

On August 3, the remaining three pallets (less than ½ planeload) of electronic parts for Iranian anti-aircraft defenses (HAWK missile sub-components) arrived in Tehran. As in all flights to/from Iran this delivery was made with an Israeli Air Force aircraft (707) using false flag markings. Timing of the delivery was based on coordination among U.S., Israeli and Iranian officials.

In early August 1986, [illegible] Iranian expatriate began to focus [illegible] the [illegible] of the USG to provide military [illegible] for hostages and we sought to establish different channels of communication which would lead us more directly to [illegible] and moderate elements in the Iranian hierarchy. [illegible] a private American citizen (MGEN Richard [illegible], USAF (Ret.)) acting within the purview of the [redacted] contact in Europe with

C. [redacted] with the assistance of the CIA, this Iranian [illegible] covertly to Washington for detailed discussions. We judged this effort to be useful in establishing contact with a close confidant of the man judged to be the most influential [illegible] political figure in Iran (Rafsanjani). These discussions reaffirmed the basic objectives of the U.S. in seeking a political dialogue with Tehran. We also provided assessments designed to discourage an Iranian offensive and contribute to an Iranian decision to negotiate an end to the war. The assessments also detailed the Soviet threat to Iran.

Through August, September, and October 1986, numerous additional meetings were held in Europe between U.S. representatives and the new Iranian contacts. [illegible] October 26, 1986 meeting in Frankfurt, Germany, [illegible] in [illegible], insisted that the release of [illegible] hostages was a pre-requisite to any progress.
C. The Iranian [redacted] urged that we take a more active role in support for the Afghan resistance [redacted]

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The Iranians also proffered, and the U.S. accepted, the offer of a Soviet T-72 tank [redacted] The Iranians have also offered to provide a copy of the 400 page interrogation of Beirut Station Chief William Buckley. At this meeting, [redacted] stated that there was a "very good chance that another American or two would be freed soon." On October 29, with U.S. acquiescence, Israel provided Iran with an additional increment of defensive weapons (500 TOW missiles).

C. Late on October 31, [redacted] called the U.S. citizen (Hakim) tasked to maintain contact and advised that Iran had "exercised its influence with the Lebanese" in order to obtain the release of an American -- David Jacobsen -- and an uncertain number of French hostages. He further noted that this would be part of the purpose of the Iranian Foreign Minister's visit to Syria -- an event we became aware of on November 1, 1986. [redacted] stated that the situation in Tehran, as well as Iranian influence over Hizballah were both deteriorating [redacted] 2, David [redacted] On November American [redacted] the old East Beirut immediately dispatched [redacted] Embassy in Beirut to pick up Mr. Jacobsen.

It is now apparent that persistent U.S. efforts to establish contact with Iran and subsequent public speculation regarding these contacts have probably exacerbated the power struggle in Iran between pragmatic elements (led by Rafsanjani) and more radical factions (under the overall sponsorship of Ayatollah Montazeri). In late October, radical supporters (of Montazeri) revealed the (Rafsanjani) contact with the USG and the terms of the contact. In order to defend himself against charges of colluding with the USG and to preserve a degree of latitude for both parties, Majlis Speaker Rafsanjani provided a purposely distorted version of the May 1986 McFarlane mission in his November 4 address to the masses. Moderate Iranian political leaders apparently now feel constrained to settle their internal political problems before proceeding with the U.S. relationship. The revelations in Tehran regarding the McFarlane mission are demonstrable evidence of the internal power struggle. The October 1986 arrest of radical leader Mehdi Hashemi, a close confidant and son in-law of Ayatollah Montazeri, for [redacted] of terrorism and treason has caused further internal conflict.

Resolution of the Lebanon hostage situation is also complicated by waning Iranian influence in Lebanon due in part to financial constraints and the fact that the Libyans are expanding their

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loyal to the now imprisoned Mehdi Hashemi. If so, this could be an effort to undermine the nascent U.S.-Iranian strategic dialogue and exacerbate the internal Iranian power struggle against the pragmatic faction with which we have been in contact.

Throughout this process, the USG has acted within the limits of established policy and in compliance with all U.S. law. The shipment of 2,000 U.S. TOWs and 235 HAWK missile electronic spare parts was undertaken within the provisions of a Covert Action Finding.

During the course of this operation -- and before -- the U.S. was cognizant of only three shipments from Israel to Iran. Specifically:

-- The Israelis acknowledged the August 1985 shipment of 500 TOWs after it had taken place. Until we were advised by the Israelis, and had the information subsequently confirmed by Iranian authorities, we were unaware of the composition of the shipment. We subsequently agreed to replace these TOWs in May of 1986.

-- The November 1985 shipment of 18 Israeli HAWK missiles was not an authorized exception to policy. This shipment was retrieved in February 1986 as a consequence of U.S. intervention.

-- The October 1986 shipment of 500 TOWs from Israel to Iran was undertaken with U.S. acquiescence. These TOWs were replaced on November 7.

In support of this Finding and at the direction of the President, the CIA provided the following operational assistance:

-- CIA communications officers and an annuitant to assist in various phases of the operation.

-- Sterile overseas bank accounts for financial transactions.

-- A secure transhipment point for the dispatch of U.S. military items from the U.S.

-- Transhipment of military items from the U.S. to Israel.

-- Communications and intelligence support for the meetings with Iranian officials and the McFarlane trip to Tehran in May.

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EXHIBIT OLN-24

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U.S./IRANIAN CONTACTS AND THE AMERICAN HOSTAGES

From the earliest months following the Islamic revolution in Iran, the U.S. Government has attempted to reestablish official contact with that government in order to discuss strategic developments in this critical part of the world and reconstruct a working relationship. Even before President Reagan came to office the U.S. Government agreed to try to expand security, economic, political, and intelligence relationships at a pace acceptable to Tehran. In the fall of 1979, the U.S. undertook three secret missions to Tehran:

-- September 1979 - [redacted] (met secretly with Bazargan at the request of the Iranians)

-- October 1979 - [redacted]

-- October-November 1979 - [redacted] (discussed normalization of relations)

When these meetings and the secret November 1, 1979 meeting in Algiers, between Brzezinski and Prime Minister Bazargan, became public in Iran, they helped precipitate the takeover of the U.S. Embassy by radical elements and led to the resignation of the Bazargan government. These events have adversely influenced Iran's subsequent willingness to engage in any direct contact with the USG.

Despite mutual difficulties involved in re-establishing normal relations, our strategic interests in the Persian Gulf mandate persistent efforts to establish a dialogue. In this regard, it is notable that only a few major countries do not have relations with Iran -- Egypt, Jordan, Morocco, Israel, South Africa, and the United States. Even Iraq continues to have diplomatic relations with Iran.

Iran is the key to a region of vital importance to the West, yet it is increasingly threatened by growing Soviet military power and political influence along its borders and inside its territory. Over the course of the last two years, the Soviets and their surrogates have moved actively to gain greater influence in the Gulf:

-- The Soviets believe that once Khomeini dies, they will have an excellent opportunity to influence the formation of a government in Tehran that serves Soviet strategic interests in the area.

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Partially Declassified/Released on 9 June 1987
under provisions of E.O. 12356
by [illegible], National Security Council

EXHIBIT
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-- Communist nations have become the principal arms suppliers to Iran -- making Iran dependent on this source of supply in contending with an increasingly strengthened Iraq. This leads us to the conclusion that the Soviets may well be attempting to pursue their own revolution in Iran. That is, by fueling both sides in the conflict, the Soviets could well encourage a disastrous "final offensive" by Iran that would precipitate a political disintegration in Iran, leaving a power vacuum which the Soviets could exploit. Specifically, the indicators of Communist influence in Iran are:

[redacted]

The increasing desperation brought on by the costs of the Iran-Iraq war has exacerbated Iran's vulnerability to Soviet influence. Moreover, Soviet designs in Afghanistan, pressure on Pakistan, and actual crossborder strikes in Iran from Afghanistan have made reopening a strategic dialogue increasingly important.

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In short, the Soviets were far better positioned to improve significantly their influence in the region in 1985 when we were presented with an opportunity to open a dialogue with Iran. In deciding to exploit this opening, we evaluated previous efforts through more conventional channels which had not succeeded.

About two years ago, senior Iranian officials apparently decided that some accommodation with the U.S. was necessary. Since 1983, various countries have been engaged in overtures to the U.S. and Iran in an effort to stimulate direct contact between the two countries. [redacted] However, internal splits and debates made it difficult for the Iranians to respond to these overtures.

Numerous individuals and private parties have likewise attempted to be helpful as intermediaries in establishing contact in Iran or in seeking Iranian assistance in the release of our citizens held hostage in Lebanon. [redacted]

In the spring of 1985, a private American citizen (Michael Ledeen) learned from an Israeli government official (David Kimche) that the Israelis had established a liaison relationship with an Iranian expatriate (Manuchehr Ghorbanifar) in Europe who sought Israeli help in establishing contact with the U.S. Government. In acknowledging the need to demonstrate the bonafides of the Iranian officials involved, he (Ghorbanifar) indicated that his "sponsors" [redacted] the American hostage [redacted]

In [redacted] hijacking, [redacted] Iranian expatriate Israeli [redacted] officials to asked [redacted] two days after obtain [redacted] from the rest of [redacted] over to Syrian the hij[redacted] authorities. [redacted] Majlis Speaker Rafsanjani, who was travelling in the mid-east at the time, and Iranian Foreign Minister Velayati both intervened with the captors. Rafsanjani, in his speech on November 4, 1986, for the first time publicly acknowledged his role in this matter. [redacted]

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In July of 1985, during a visit to Washington, an Israeli official (Kimche) advised National Security Advisor, Robert McFarlane, that Israel had established a channel of communication with authoritative elements in Iran who were interested in determining whether the United States was open to a discreet, high-level dialogue. The Iranians were described as comprising the principal figures of the government (i.e., Speaker of the Majlis Rafsanjani, Prime Minister Musavi, and Khomeini's heir-apparent, Ayatollah Montazeri) and as being devoted to a reorientation of Iranian policy.

At this first meeting, McFarlane went to great length to draw out the Israeli as to why he found the Iranian proposal credible, given the events of the past six years. The Israeli replied that their exhaustive analysis had gone beyond the surface logic deriving from the chaos and decline within Iran and the degenerative effects of the war, to more concrete tests of the willingness of the Iranians to take personal risks. He noted that the Iranians had exposed themselves to possible compromise by meeting with Israelis and by passing extremely sensitive intelligence on the situation (and political line-up) within Iran -- information which was proven valid.

The Israeli asked for our position on opening such a dialogue. No mention was made of any pre-conditions or Iranian priorities. McFarlane conveyed this proposal to the President (in the presence of the Chief of Staff). The President said that he believed such a dialogue would be worthwhile at least to the point of determining the validity of the interlocutors. This decision was passed to the Israeli diplomat.

~~Within days~~ the Israeli called again on McFarlane. At this meeting, he stated that he had conveyed our position to the Iranian intermediary and that the Iranians had responded that they recognized the need for both sides to have tangible evidence of the bona fides of the other and that they believed they could affect the release of the Americans held hostage in Lebanon.

According to the Israeli, the Iranians separately stated that they were vulnerable as a group and before having any prospect of being able to affect change within Iran they would need to be substantially strengthened. To do so, they would need to secure the cooperation of military and/or Revolutionary Guard leaders. Toward this end, they expressed the view that the most credible demonstration of their influence and abilities would be to secure limited amounts of U.S. [redacted] for our posit[redacted]

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Mr. McFarlane elevated this proposition to the President at a meeting within days that included the Secretaries of State and Defense and the Director of Central Intelligence. The President stated that, while he could understand that assuming the legitimacy of the interlocutors, they would be quite vulnerable and ultimately might deserve our support to include tangible materiel; at the time, without any first hand experience in dealing with them, he could not authorize any transfers of military materiel. This was conveyed to the Israeli.

On August 22, 1985, the Israeli diplomat called once more to report that the message had been conveyed and that an impasse of confidence existed. He asked what the position of the U.S. Government would be to an Israeli transfer of modest quantities of defensive military materiel. McFarlane replied that to him, such an action would represent a distinction without a difference. The Israeli diplomat explained at [illegible] length that Israel had its own policy interests that would be served by fostering such a dialogue in behalf of the [illegible] that a problem would arise when ultimately they needed to replace items shipped. He asked whether Israel [illegible] purchase replacements for items they chose to ship. McFarlane [illegible] that the issue was not the ability of Israel to [illegible] from the U.S. -- they [illegible] for a generation [illegible] in the future -- but rather the [illegible] or allow others to ship military equipment to Iran. The Israeli asked for a position from our government. McFarlane elevated the question to the President (and to the Secretaries of State and Defense and the Director of Central Intelligence). The President stated that, while he could envision providing materiel support to moderate elements in Iran if all the Western hostages were freed, he could not approve any transfer of military materiel at that time. This position was conveyed to the Israeli diplomat.

On September 14, 1985, Reverend Benjamin Weir was released in Beirut by the Islamic Jihad Organization. This release was preceded by an intense effort on the part of Mr. Terry Waite, the Special Emissary of the Archbishop of Canterbury. To this date, Mr. Waite remains the only Westerner to ever meet directly with the Lebanese kidnappers. [redacted]

In late September, we learned that the Israelis had transferred 508 TOW missiles to Iran and that this shipment had taken place in late August. The Israelis told us that they undertook the action, despite our objections, because they believed it to be in their strategic interests. The Israelis managed this entire operation, to include delivery arrangements, funding, and transportation. After discussing this matter with the President, it was decided not to expose this Israeli delivery because:

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-- We wanted to retain the option of exploiting the existing Israeli channel with Tehran in our own effort to establish a strategic dialogue with the Iranian government.

-- The total value of the 508 TOWs shipped by Israel was less than $2 million and, therefore, below the threshold requiring a report of military equipment transfers under the Arms Export Control Act.

On October 4, 1985, Islamic Jihad announced that it had "executed" Beirut Station Chief William Buckley in retaliation for the October 1 Israeli air raid on PLO installations in Tunis. This announcement led to a series of meetings in Europe among the U.S. (CIA and NSC), Israeli, and Iranian intermediaries. In these meetings, the Iranians indicated that, while their ability to influence the Hizballah was waning, the Hizballah had not killed Buckley; he had in fact died several months earlier of natural causes. We have since substantiated this information in debriefs of Father Jenco and David Jacobsen, both of whom indicate that Buckley probably died on June 3, 1985 of pneumonia-like symptoms.

In late November 1985, an aircraft owned by a CIA proprietary airline was chartered through normal commercial contract to carry cargo from Israel. It was subsequently determined that the Israelis, responding to urgent entreaties from the Iranians, used the aircraft to transport 18 HAWK missiles to Iran in an effort to improve the static air defenses around Tehran. The Israelis were unwitting of the CIA's involvement in the airline and the airline was paid at the normal commercial rate (approximately $127,700). The airline personel were also unwitting of the cargo they carried. The Israeli delivery of HAWK missiles raised serious U.S. concerns that these deliveries were jeopardizing our objective of arranging a direct meeting with high-level Iranian officials. As a consequence of U.S. initiative and by mutual agreement of all three parties, these missiles were subsequently returned to Israel in February 1986.

On December 7, the President convened a meeting in the White House (residence) to discuss next steps in our efforts to establish direct contact with the Iranians. Attending the meeting were the Chief of Staff, Secretaries of State and Defense, the Deputy Director of Central Intelligence, and the Assistant to the President for National Security Affairs and his Deputy. Immediately after the meeting, Mr. McFarlane departed for London to meet with the Israeli official and the Iranian contact to make clear the nature of our interest in a dialogue with Iran. At this meeting, Mr. McFarlane, as instructed by the President, stated that:

-- the U.S. was open to a political dialogue with Iran, but that no such dialogue could make progress for as long as groups seen as dominated by Iran held U.S. hostages; and

-- the U.S. could under no circumstances transfer arms to Iran in exchange for hostages.

These points were made directly to the Iranian interlocutor. The Iranian replied that, unless his associates in Tehran were strengthened, they could not risk going ahead with the dialogue. Mr. McFarlane acknowledged the position but stated we could not change our position. In a separate meeting with the Israeli official, Mr. McFarlane made clear our strong objections to the Israeli shipment of the HAWK missiles and noted that the U.S. would have to act to have them returned (a step undertaken in February, when all 18 missiles were returned to Israel). Following these meetings, Mr. McFarlane returned to Washington and shortly thereafter left active government service.

On January 2, the Prime Minister of Israel dispatched a special emissary to the U.S. (Amiram Nir) to review proposals for next steps in dealing with Iran. The Israelis urged that we reconsider the issue of providing limited defensive arms to those attempting to take power in Tehran, since all other incentives (economic assistance, medical supplies, machine parts) were of no value in shoring-up those who wanted an opening to the West. In that any implementation of the Israeli proposals would require the active participation of the intelligence community, the NSC Staff (North) was tasked to prepare a covert action finding. Work on this Presidential finding commenced on January 4.

On January 6, the President, the Vice President, the Chief of Staff, and the National Security Advisor and his assistant reviewed the first draft of the Finding and the recommendations made by the Prime Minister of Israel through his special emissary.

On January 7, the President met in the Oval Office with the Vice President, the Chief of Staff, Secretaries Shultz and Weinberger, Attorney General Meese, Director Casey, and the National Security Advisor to discuss the overall situation in Iran and prospects for a strategic dialogue. It was again noted that Mr. McFarlane, on return from his trip to London, had recommended that no further action be taken unless a mechanism could be established by which the U.S. could exert better control over events. He agreed, in principle, with Director Casey that providing limited quantities of defensive arms after the hostages were released still had merit. Both Secretary Shultz and Secretary Weinberger

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objected to any provision of arms, citing that we could not be sure that these would really help moderate elements and that, if exposed, the project would not be understood by moderate Arabs and would be seen as contravening our policy of not dealing with states that support terrorism. The President decided that we should attempt to keep the Israeli channel active as long as it offered possibilities for meetings with high-level Iranian officials and left open the issue of providing defensive arms to Iran if all the hostages were released.

It was further determined by the President that any dialogue with the Iranians must be aimed at achieving the following goals:

-- Devising a formula for re-establishing a strategic relationship with Tehran.

- Ending the Iran-Iraq War on honorable terms.

- Convincing Iran to cease its support for terrorism and radical subversion.

- Helping ensure the territorial integrity of Iran and coordinating ways in which we might counter Soviet activities in the region.

The President made clear that a Western dialogue with Iran would be precluded unless Iran were willing to use its influence to achieve the release of Western hostages in Beirut. He also made clear that we could not and would not engage in trading arms for hostages. Secretaries Shultz and Weinberger retained their original position on providing any amrs to Iran, but Attorney General Meese and Director Casey both supported the concept as a valid means of opening the dialogue. Attorney General Meese noted a 1981 determination by then Attorney General French Smith that transferring small quantities of arms through third countries under a Covert Action Finding was not illegal.

[redacted]

On January 16, a meeting was held in the National Security Advisor's office with Secretary Weinberger, Attorney General Meese, Director Casey, and CIA General Counsel Stanley Sporkin. At this meeting, the final draft of the Covert Action Finding was reviewed and was forwarded to the President with Secretary Weinberger dissenting.

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On January 17, 1986, the President approved a Covert Action Finding (Tab A) directing that the intelligence community proceed with special activities aimed at accomplishing the goals set forth above. The President futher determined that the activities authorized by the Finding justified withholding prior Congressional notification due to the extreme sensitivity of the dialogue being established. He further noted that public knowledge of the program would place the American hostages in Lebanon at greater risk. Noting his concern for the lives of those carrying out the operation (both U.S. and foreign), he directed that the Director of Central Intelligence refrain from reporting the Finding to the appropriate committees of the Congress until reasonably sure that those involved would no longer be in jeopardy.

On February 5-7, U.S. officials (NSC and CIA [redacted] a representative of the Israeli Prime Ministry (Amiram Nir), and a senior-level Iranian official [redacted] met in London. At this meeting, the Iranians agreed that, if the USG would provide defensive weapons (TOWs) to Iran, they would, in turn, provide same to the Afghan Mujahideen. The U.S. side agreed to explore this possibility and, working with the Israelis, established the following mechanism for transfer of the weapons:

-- The Iranian intermediary (Ghorbanifar) would deposit funds in an Israeli account.

-- The Israelis would transfer funds to a sterile U.S.-controlled account in an overseas bank.

-- Using these funds, the CIA would covertly obtain materiel authorized for transfer from U.S. military stocks and transport this to Israel for onward movement to Iran.

Using the procedures stipulated above, funds were deposited in the CIA account in Geneva on February 11, 1986 and on February 14 1,000 TOWs were transported to Israel for pre-positioning. These TOWs were transferred by CIA from DOD (U.S. Army stocks in Anniston, Alabama) and transported through [redacted] using standard CIA-DOD [redacted] logistics arrangements. Policy-level coordination for these arrangements was effected by NSC ([redacted]) with DOD (Armitage) and CIA (Clair George). The TOWs were pl[redacted] onward shipment.

On February 19-21, [redacted], Israeli and Iranian officials [redacted] in arranging a [redacted], the Iranians [redacted] authorization was [redacted] provide

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On February 19-21, U.S. (NSC and CIA), Israeli and Iranian officials met in Germany to discuss problems in arranging a meeting among higher-level officials. At this meeting, the Iranians committed [redacted] After coded authorization was received from Washington, the U.S. side agreed to provide 1,000 TOWs to Iran as a clear signal of U.S. sincerity. This delivery was commenced on the morning of February 20 and completed in two transits to Tehran on February 21. Transportation from Israel to Iran was aboard a false flag Israeli aircraft. On the return flight from Iran, these aircraft carried the 18 HAWK missiles which Israel had sent to Tehran in November 1985 with USG aforeknowledge.

[redacted]

On February 24, U.S. (CIA and NSC) officials met again in Frankfurt with the Israeli and Iranian officials to discuss next steps. At this meeting, the U.S. side urged that the Iranians expedite a meeting among higher-level officials on both sides.

On February 28, the Prime Minister of Israel wrote to President Reagan (Tab B) urging continued efforts to achieve a strategic breakthrough with Iran, but asking consideration for the safety of [redacted]

On March 7, U.S. (CIA and NSC) and Israeli representatives met with the Iranian intermediary in Paris to determine whether any further progress was possible in arranging for a high-level meeting with U.S. and Iranian officials. During these meetings, the intermediary emphasized the deteriorating economic situation in Iran and Iranian anxieties regarding increasing Iraqi military effectiveness.

The escalation of tensions with Libya, leading up to the April 14 strike, prevented further dialogue from taking place until the Iranians urged the intermediary (Ghorbanifar) to accelerate the effort in late April, 1986. At that point, the Iranian expatriate advised us through the Israeli point-of-contact that the leadership in Tehran was prepared to commence a secret dialogue

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The Iranian expatriate told the NSC and CIA officers, who met with him in Europe at the end of April, that the Iranians did not wish to be accused of any culpability in Kilburn's death.

[redacted]

On May 6, 7, 1986, U.S. and Israeli officers met in London with the Iranian intermediary in which he urged that we take immediate steps to arrange for a high-level U.S./Iranian meeting in Tehran. During the London meeting, the Iranian urged that we (U.S. and Israel) take immediate steps to help with Iranian air defense. He emphasized that the Iraqi Air Force was increasingly effective of late and that the Iranians were desperate to stop attacks on population centers. The Israelis also used this opportunity to privately ask the U.S. to replace the 508 TOWs which they had sent to Iran in August, 1985. The Israelis were informed via coded message on May 15 that the U.S. had agreed to the Iranian request for limited anti-air defense equipment and to replenish the 508 TOWs sent by Israel.

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electronic parts). At the specific request of the Iranians, alias foreign documentation [redacted] obtained from the CIA -- was used. CIA also provided covert transportation support from CONUS to Israel for the McFarlane party. The group was transported from Israel to Tehran aboard an Israeli Air Force 707 with false flag markings.

In the course of the four-day (May 25-28) visit, lengthy meetings were held with high-level Iranian officials, the first direct contact between the two governments in over six years. Mr. McFarlane and his team were able to establish the basis for a continuing relationship and clearly articulate our objectives, concerns, and intentions. The group was also able to assess first hand the internal political dynamic in Tehran and the effect of the war which Iran clearly can no longer win. Using Presidentially approved Terms of Reference (Tab B), which had been reviewed and approved by appropriate Cabinet officers, McFarlane emphasized that our interest in Iran transcended the hostages, but the continued detention of hostages by a Lebanese group philosophically aligned with Iran prevented progress. During the visit, Mr. McFarlane made clear:

-- that we fundamentally opposed Iranian efforts to expel us from the Middle East;

-- that we firmly opposed their use of terrorism;

-- that we accepted their revolution and did not seek to reverse it;

-- that we had numerous other disagreements involving regional policies (i.e., Lebanon, Nicaragua, etc.), but might also find areas of common interest (i.e., Afghanistan and the Soviet threat to the Gulf) through dialogue.

During these meetings, both sides used the opportunity to detail the obstacles to implementing a strategic relationship between the two countries. In addition to the points noted above, Mr. McFarlane emphasized the political problems caused by Iranian involvement in the hostage issue. The Iranians objected to the USG embargo on U.S. military supplies already paid for plus the continued USG blocking of Iranian assets in the U.S., even after U.S. courts had ruled in their favor. During the course of these meetings, the Iranian officials admitted that they could not win the war, but were in a dilemma in Tehran over how to end the conflict given the need to present an Iranian "victory" before it could be concluded. They emphasized that the original aggressor, Saddam Hussein, must be removed from power in order for the war

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On June 10, Majlis Speaker Rafsanjani, in a speech in Tehran made guarded reference to Iranian interest in improved relations with the U.S. On July 26, Father Lawrence Jenco was released in the Bekka Valley and found his way to a Syrian military checkpoint.

On August 3, the remaining three pallets (less than ½ planeload) of electronic parts for Iranian anti-aircraft defenses (HAWK missile sub-components) arrived in Tehran. As in all flights to/from Iran this delivery was made with an Israeli Air Force aircraft (707) using false flag markings. Timing of the delivery was based on coordination among U.S., Israeli and Iranian officials.

In early August 1986, the contact with the Iranian expatriate began to focus exclusively on the willingness of the USG to provide military assistance to Iran in exchange for hostages and we sought to establish different channels of communication which would lead us more directly to pragmatic and moderate elements in the Iranian hierarachy. In mid-August, a private American citizen (MGEN Richard Secord, USAF [Ret.]) acting within the purview of the January Covert Action Finding, made contact in Europe with [redacted] relative [redacted] a senior Iranian official (Rafsanjani). With the assistance of the CIA, this Iranian [redacted] was brought covertly to Washington for detailed discussions. We judged this effort to be useful in establishing contact with a close confidant of the man judged to be the most influential and pragmatic political figure in Iran (Rafsanjani). These discussions reaffirmed the basic objectives of the U.S. in seeking a political dialogue with Tehran. We also provided ~~intelligence~~ designed to discourage an Iranian offensive and contribute to an Iranian decision to negotiate an end to the war. The ~~intelligence~~ also detailed the Soviet threat to Iran.

Through August, September, and October 1986, numerous additional meetings were held in Europe between U.S. representatives and the new Iranian contacts. During the October 26, 1986 meeting in Frankfurt, Germany, the U.S. side, as in the past, insisted that the release of the hostages was a pre-requisite to any progress. The Iranian, [redacted] urged that we take a more active role in support for the Afghan resistance [redacted]

The Iranians also proffered, and the U.S. accepted, the offer of a Soviet T-72 tank [redacted] The Iranians have also offered to provide a copy of the 400 page interrogation of Beirut Station Chief William Buckley. At this meeting, [redacted] stated that there was a "very good chance that another American or two would be freed soon." On October 29, with U.S. acquiescence, Israel provided Iran with an additional increment of defensive weapons (500 TOW missiles).

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Late on October 31, [redacted] called the U.S. citizen (Hakim) tasked to maintain contact and advised that Iran had "exercised its influence with the Lebanese" in order to obtain the release of an American -- David Jacobsen -- and an uncertain number of French hostages. He further noted that this would be part of the purpose of the Iranian Foreign Minister's visit to Syria -- an event we became aware of on November 1, 1986. [redacted] stated that the situation in Tehran, as well as Iranian influence over Hizballah were both deteriorating. [redacted] On November 2, David Jacobsen was released by his captors near the old American Embassy compound in West Beirut. The U.S. Embassy in East Beirut immediately dispatched an embassy officer to West Beirut to pick up Mr. Jacobsen.

It is now apparent that persistent U.S. efforts to establish contact with Iran and subsequent public speculation regarding these contacts have probably exacerbated the power struggle in Iran between pragmatic elements (led by Rafsanjani) and more radical factions (under the overall sponsorship of Ayatollah Montazeri). In late October, radical supporters (of Montazeri) revealed the (Rafsanjani) contact with the USG and the terms of the contact. In order to defend himself against charges of colluding with the USG and to preserve a degree of latitude for both parties, Majlis Speaker Rafsanjani provided a purposely distorted version of the May 1986 McFarlane mission in his November 4 address to the masses. Moderate Iranian political leaders apparently now feel constrained to settle their internal political problems before proceeding with the U.S. relationship. The revelations in Tehran regarding the McFarlane mission are demonstrable evidence of the internal power struggle. The October 1986 arrest of radical leader Mehdi Hashemi, a close confidant and son in-law of Ayatollah Montezari, for acts of terrorism and treason has caused further internal conflict.

Resolution of the Lebanon hostage situation is also complicated by waning Iranian influence in Lebanon due in part to financial constraints and the fact that the Libyans are expanding their contacts with more radical Hizballah elements. [redacted]

On November 7, the day after a meeting with U.S. officials, Iranian government authorities arrested six other individuals involved in radical activities. Among the two were senior military officers and a Majlis deputy (Ahmad Kashani), the grandson of Ayatollah Kashani, a conspirator in the 1949 attempt against the Shah.

Despite these internal difficulties and attendant publicity in the Western media, the Iranians continue to maintain direct contact with the USG and met again in Geneva on November 9-10 with NSC and CIA representatives. [redacted] the two principal Iranian contacts continue to communicate with the U.S. [redacted] the Iranians still intend to deliver the T-72 tank [redacted] "positive statement" will be made in the near future by Rafsanjani. [redacted] Both [redacted] have warned that further disclosures could harm them personally and the longer-term interests of the two countries.

It is important to note that since the initiation of the USG contact with Iran there has been no evidence of Iranian government complicity in acts of terrorism against the U.S. We do not know who seized the last three American hostages in Beirut (Messers. [illegible], Cicippio, [illegible] Tracy). The Islamic Jihad Organization [illegible] has [illegible] responsibility -- as have our [illegible] [redacted] [illegible] possible that these three [illegible] of Iranian radicals [illegible] If so, this could be [illegible] nascent U.S.-Iranian strategic [illegible] internal Iranian power struggle [illegible] with which we have been in contact.

[illegible] this process, the [illegible] has acted within the limits of established [illegible] with all U.S. law. The shipment of 2,008 U.S. TOWs and [illegible] HAWK missile electronic spare parts was undertaken within the provisions of a Covert Action Finding.

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During the course of this operation -- and before -- the U.S. was cognizant of only ~~two~~ 4 shipments from Israel to Iran. Specifically:

-- The Israelis acknowledged the August 1985 shipment of 508 TOWs after it had taken place. Until we were advised by the Israelis, and had the information subsequently confirmed by Iranian authorities, we were unaware of the composition of the shipment. We subsequently agreed to replace these TOWs in May of 1986.

-- The November 1985 shipment of 18 Israeli HAWK missiles was not an authorized exception to policy. This shipment was retrieved in February 1986 as a consequence of U.S. intervention.

-- The October 1986 shipment of 500 TOWs from Israel to Iran was undertaken with U.S. acquiescence. These TOWs were replaced on November 7.

In support of this Finding and at the direction of the President, the CIA provided the following [redacted] assistance:

-- [redacted]

-- Sterile oversea[redacted] for [redacted] transactions.

-- A secure transhi[redacted] U.S. military items [redacted].

-- Transhipment o[redacted] the U.S. to Israel.

-- Communications and intelligence support for the meetings with Iranian officials and the McFarlane trip to Tehran in May.

-- Cleared meeting sites in Europe for meetings with Iranian officials.

-- ~~Alias~~ documentation for U.S. and foreign officials for meetings in Europe and Tehran.

The weapons and materiel provided under this program were judged to be inadequate to alter either the balance of military power or the outcome of the war with Iraq. They have, however, demonstrated the U.S. commitment to Iranian territorial integrity and served to support those in Iran interested in opening a strategic relationship with the U.S. U.S. efforts over the last 18 months have had tangible results on Iranian policy:

-- The Rafsanjani/Velayati intervention on behalf of the TWA #847 passengers (June 1985).

-- Iranian direction that the hijacked Pan Am #73 would not be received in Iranian territory if it left Karachi.

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-- [redacted]

-- The release of three American and at least two French hostages.

-- The initiation of an Iranian dialogue with their regional neighbors.

-- Continued delay in the Iranian "final offensive."

Finally, it must also be noted that the U.S. arms embargo notwithstanding, West European nations have provided $500 million a year in military equipment to Iran. Most of these transfers were accomplished with government knowledge and/or acquiescence.

All appropriate Cabinet Officers have been apprised throughout. The Congress was not briefed on the covert action Finding due to the extraordinary sensitivity of our Iranian contacts and the potential consequences for our strategic position in Southwest Asia. Finally, our efforts to achieve the release of the hostages in Lebanon must continue to rely on discreet contacts and intermediaries who cannot perform if they are revealed.

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EXHIBIT OLN-25

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Insert #2

Cut of [illegible]

Partially Declassified/Released on 12 May 19
under provisions of E.O. 12356
by C. Reger, National Security Council

In late September we learned that the Israelis had transferred 508 TOW missiles to ~~[illegible]~~ Iran and that this shipment ~~transfer~~ had taken place in late August. ~~[illegible]~~ The Israelis ~~have~~ told us that they undertook the action, despite our objections, because they believed it to be in their strategic interests. The Israelis managed this entire operation, to include delivery arrangements, funding and transportation. After discussing this matter with the President, we decided not to expose this Israeli delivery because:

-- we wanted to ~~be~~ retain the option of exploiting the existing Israeli channel with Tehran in our own effort to establish a strategic relationship with the Iranian government; and

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-- The total value of the 508 TOWs shipped by Israel was less than $12 mil, therefore below the threshold ~~required for~~ requiring a report of military equipment transfers under the Arms Export Control Act

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Exhibit OLN-26

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THE PRESIDENTIAL FINDING

N 28819

Let me begin by stating the obvious. Iran is one of the most important states in the Middle East. Its strategic location and oil resources make it a country of critical significance to U.S. and western interests in the area.

It is also a longstanding Soviet target. Soviet interest is reflected in the fact that they have twice established short-lived independent communist republics in Northern Iran since World War I. Soviet interest in Iran has not waned and we know that they are working hard to extend their influence with the present regime and possible successors.

The U.S. has been trying to reestablish official contact with Iran and develop a working relationship ever since the Islamic revolution. We have tried to do so because Iran is, quite simply, a geopolitical force which neither we, nor the Soviets, can afford to ignore.

We also must not forget the hostages. The simple fact of the matter is that U.S. citizens are being held by terrorist groups over which Iran has some influence. We have an obligation to do what we can to move Iran away from terrorism and to get our fellow citizens back.

It was against that backdrop that the President signed a Finding on 17 January directing the CIA to provide operational and logistical support for a program aimed at (1) establishing a more moderate government in Iran, (2) obtaining intelligence to determine the current Iranian Government's intentions with respect to its neighbors and with respect to terrorist acts, and (3) furthering the release of American hostages held in Beirut and preventing further terrorist acts by these groups.

The Finding stated that the USG will provide moderate elements within the Government of Iran with arms, equipment and related materiel in order to enhance the credibility of these elements in their efforts to achieve a more moderate government in Iran by demonstrating their ability to obtain resources to defend their country.

In the Finding, the President directed the CIA to refrain from reporting the Finding to the Congress as provided in Section 501 of the National Security Act of 1947, as amended, until otherwise directed.

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At the time the Presidential Finding was signed, the CIA's Office of General Counsel advised me that the President clearly has the authority to withhold prior notice of operations from the Congress. Section 501 of the National Security Act expressly provides that notification of intelligence activities to the Congress shall be provided "to the extent consistent with all applicable authorities and duties, including those conferred by the Constitution."

The Act also states that the Intelligence Committees be given timely notice of activities, for which no prior notice was given. This was a clear recognition that extraordinary circumstances could lead the President to conclude that notice of an operation should be withheld, in whole or in part, until an appropriate time as determined by the President.

The history to the oversight act clearly recognizes the accommodation that was reached on this issue. The subsequent procedures agreed upon by the DCI and the SSCI on reporting covert action operations provide that advance reporting of such operations would be subject to the exceptional circumstances contemplated in Section 501 of the National Security Act.

The President determined that the activities authorized by the Finding justified withholding prior notification due to the extreme sensitivity of the dialogue being established. In addition, had the fact of this program become known, the American hostages in Lebanon would be put at a greater risk.

That's the legal justification for not informing Congress. The reason why Congress was not informed was, quite simply, a very real concern for the lives of those carrying out the operation. That concern, particularly when you have people travelling to Iran, was not exagerrated.

Earlier experience in conducting secret talks with Iranian officials showed the risk involved should the fact of such discussions become public. In 1979, President Carter's National Security Advisor Zbigniew Brzezinski held such talks with then Iranian Prime Minister Bazargan. Following the public disclosure of those contacts, radical students took over the American Embassy in Tehran, taking the staff hostage, and the Bazargan Government fell.

Throughout the course of the activities undertaken by the CIA to fulfill the directives of this Finding, only a handful of officials were involved. Current procedures involving

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notification of the oversight committees would have required that two or three times as many individuals be informed than were aware of the activity within the CIA. This is the only Finding since the signature of the 1980 oversight act that has not been briefed to the Committees. In fact, the only other Finding that has not been briefed since the inception of the oversight process was the Iranian hostage rescue mission.

Now I would like to explain exactly what activities were undertaken by the CIA in carrying out the directives of this Finding signed on 17 January 1986.

CHRONOLOGY

In late November 1985, the NSC asked CIA for the name of a discreet, reliable airline which could assist the Israelis in transporting a planeload of Israeli Hawk missiles to Iran. The name of our proprietary airline was given to the NSC which, in turn, passed it to one of the intermediaries dealing with the Iranians.

That intermediary, who was unwitting of CIA's involvement with the airline, hired the airline to transport a Boeing 707 load of weapons from Tel Aviv to Tehran. The airline was paid the normal commercial rate which amounted to approximately $127,700. The people in the proprietary did not know what was being shipped.

When senior CIA management learned that this had occurred, it was decided that a Finding was necessary before the Agency could provide any future support of this type.

That was the only CIA support provided prior to the Finding.

On 26 January, a CIA officer (Charlie Allen) provided limited, general informatio [redacted] This information was provided to the Iranian intermediary (Ghorbanifar) for passage to Iranian officials.

On February 5-7, U.S. officials (NSC), a representative of the Israeli Prime Ministry (Amiram Nir), and a senior-level Iranian official [redacted] met in Germany. At this meeting, the Iranians agreed that, if the USG would provide TOW missles to Iran, the Iranians would [redacted] The U.S. agreed to explore this possibility and, working with the Israelis, established the following mechanism for transfer of the weapons:

--The Iranian intermediary (Ghorbanifar) would deposit funds in a European account.

--The funds would then be transferred to a sterile U.S.-controlled account in an overseas bank.

--Using these funds, the CIA would work with the Army Logistics Command to obtain the material. This type of activity, conducted under the Economy Act, is the routine method for obtaining U.S. military materiel for CIA Covert Action Operations from DoD. None of the working level DoD personnel involved were aware of the eventual destination of the weapons.

--The materiel was then transported to Israel for future shipment to Iran.

Using the procedures stipulated above, $3.7 million was deposited in the CIA account in Geneva on February 11, 1986 for the purchase of 1,000 TOW missles and associated costs.

On 15 February, Office of Logistics personnel delivered the 1000 TOW missles to Kelly Air Force Base. The missles were then transported to Israel for onward shipment to Iran. CIA was not involved in the transportation of this shipment.

On February 19-21, U.S. and Iranian officials (NSC and CIA) met again in Germany to discuss problems in arranging a meeting among higher-level officials.

On 24 February, the same U.S. officials traveled to Germany where they met with the intermediary and an Iranian Government official. At that meeting, the Iranian official provided a list of varying quantities of approximately 240 different spare parts needed for the Hawk missle batteries provided by the USG to Iran during the Shah's reign. The Iranian official asked for USG assistance in obtaining these spare parts as additional proof that this channel had the approval of the highest authority in the USG.

On 25 February, the U.S. officials provided the Iranians with limited, vague information [redacted]

On March 7, U.S. (CIA and NSC) and Israeli representatives met with the Iranian intermediary in Paris to determine whether any further progress was possible in arranging for a high-level meeting with U.S. and Iranian officials. During these meetings, the intermediary emphasized the deteriorating economic situation in Iran and Iranian anxieties regarding increasing Iraqi military effectiveness.

Throughout March and April, the Office of Logistics worked with DoD to clarify the items on the Iranians' list of spare parts and identify which items were in DoD stocks. We were informed that the Iranians had agreed that high level Iranian officials would meet with a USG team that would come to Tehran with the spare parts.

The escalation of tensions with Libya, leading up to the April 14 strike, prevented further dialogue from taking place until the Iranians urged the intermediary (Ghorbanifar) to accelerate the effort in late April, 1986. At that point, the Iranian expatriate advised us that the leadership in Tehran was prepared to commence a secret dialogue with the United States along the lines of our established goals.

Based on assurances that we could at last meet face-to-face with top-level Iranian officials, on May 15, the President authorized a secret mission to Tehran by former National Security Advisor McFarlane, accompanied by a CIA annuitant, a CIA communicator, members of the NSC staff, and the Israeli and Iranian interlocutors.

On 16 May 1986, the Iranians provided $6.5 million for Hawk spare parts and an additional 508 TOW missles. The receipt of the Iranian funds set into motion arrangements for the planned visit to Iran as follows:

> --The Office of Communications provided secure communication equipment and the services of a communications officer to travel into Iran with the U.S. team.
>
> --The Office of Technical Services was tasked to provide ten [redacted] passports for use by the team and the air crew of the aricraft that would fly from Israel to Tehran. The Iranians insisted on the use of non-U.S. passports. [redacted] passports were chosen because the aircraft used for the journey carried [redacted] registration numbers.

--The Office of logistics assembled the available Hawk missle spare parts at Kelly Air Force Base. The parts were then transported to Israel, but the CIA was not involved in their transfer.

--The Office of Logistics delivered 508 TOW missles to Kelly Air Force Base for onward shipment to Israel. CIA was not involved in their shipment.

On 25 May the U.S. team traveled to Tehran via Israel. The CIA provided two members of the team--a communications officer and a Farsi speaking annuitant with considerable experience in Iranian affairs. The annuitant provided translation services and advice to the team. He continued to be involved in subsequent meetings with Iranian representatives.

The U.S. team brought several aircraft pallet loads of Hawk missle spare parts with them to Tehran at the time of the meeting. However, it was decided that the greater portion of the spare parts would stay in Israel for later delivery to Iran pending further progress in establishing the dialogue. We understand that those spare parts were ultimately delivered to Iran.

The U.S. team also provided the Iranians with [redacted]

On 19 September three Iranians travelled to the U.S. for detailed discussions withe ~~NSC official~~s. These discussions reaffirmed the basic objectives of the U.S. in seeking a political dialogue with Tehran. We also provided [redacted] designed to discourage an Iranian offensive and contribute to an Iranian decision to negotiate an end to the war. [redacted]

Throughout August and September, numerous additional meetings were held in Europe between U.S. representatives and the new Iranian contacts in an effort to develop the dialogue authorized by the Presidential Finding.

On 6 October, those Iranians traveled to Frankfurt for meetings with the U.S. team. [redacted]

On 26 October, more meetings were held in Frankfurt with the same participants. [redacted]

During the October 26, 1986 meeting in Frankfurt, Germany, the U.S. side, as in the past, insisted that the release of the hostages was a pre-requisite to any progress. The Iranians urged that we take a more active role in support [redacted] and suggested again that, if we could provide additional TOW weapons to Iran, [redacted]

The Iranians also proffered, and the U.S. accepted, the offer of a Soviet T-72 tank [redacted] That tank should be in our hands shortly.

On 2 November, the Iranians provided $2.037 million and the Office of Logistics procured 500 more TOW missles from DoD.

Those missles were delivered by the Office of Logistics to Kelly Air Force Base on 5 November. A USAF C-141 aircraft carried the missles to [redacted] where they were transhipped to a CIA air proprietary aricraft which carried the missles to Israel.

On 9 November, the U.S. team held another meeting with one of the Iranian officials from the Iranian team.

This brings the record of CIA involvement in these activities authorized by the 17 January 1986 Presidential Finding up to date as of the present time. We should note that none of the weapons came from CIA stocks.

We have received no requests from the NSC to acquire any more materiel of any type for shipment to Iran under this program.

I would like to reiterate that the funds for the procurement of the materiel ennumerated above, as well as for all associated costs, were provided by the Iranians themselves. Funding from Iran was transferred to CIA for deposit in a covert funding mechanism. This action provided secure means for control, payment, and accountability of all funding associated with this program. The funds provided by Iran, a total of $12,037,000, remained in a special account in a Swiss bank, and costs were paid directly from the account.

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The only costs incurred by the CIA in this activity were expenses for the travel of CIA officers involved in the various meetings, the costs of hotel rooms [redacted] for the two October meetings held in Germany, and operational support [redacted] amounting to approximately $48,000. The costs for this support have been charged against normal operational accounts. Since all travel by CIA officials is routinely charged to such accounts, to do otherwise in the case of the trips undertaken during this program would have compromised the security of the activities.

LEGALITY OF ARM SHIPMENTS

Questions which have appeared in the media as to the legality of the arms shipments raise the question as to whether or not the CIA was responding to a legal order.

At the time the Presidential Finding was signed, applicable legal authorities were reviewed and it was determined that there is clear and ample authority for the President to approve transfers outside the context of the Foreign Assistance Act and Arms Export Control Act. Those laws were not intended and have not been applied by Congress to be the exclusive means for sale, loan or provision of U.S. military equipment to foreign governments.

CIA's legal authority to furnish U.S. military equipment to foreign governments on a covert basis is based on language contained in Section 102 (d) of the National Security Act of 1947, which provides that it shall be the duty of the CIA, under NSC direction, to perform services of common concern for the benefit of intelligence agencies and to perform "such other functions and duties relating to intelligence affecting the national security as the National Security Council may from time to time direct." In short, it is clear that legal authority exists for CIA to transfer U.S. military equipment abroad outside the foreign military sales and assistance statutory framework when the activity is in furtherance of a legitimate and authorized CIA mission; that is, a special activity or intelligence collection operation.

This fundamental and underlying legal conclusion has been arrived at by the CIA Office of General Counsel and has been confirmed by the Attorney General. A transfer is legal.

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therefore, if we can show that the transfer is in the furtherance of an approved and legitimate intelligence activity and, for covert action, that there is a signed Presidential Finding covering the activity as provided by the Hughes-Ryan Amendment.

The next question is how the CIA obtains the materiel it needs in order to meet those legitimate intelligence interests. CIA's legal authorities permit it to obtain military equipment if it is available on the open market. If that is not the case, or if the equipment cannot be provided as conveniently or cheaply by a commercial enterprise, CIA can utilize the Economy Act to obtain the necessary items from the Department of Defense. Of course, transfers of U.S. military equipment in general ought to be, and are in fact, made to foreign governments under the U.S. foreign assistance program. However, it is important to point out that any decision to have CIA supply U.S. military equipment inherently involves a determination that the foreign military assistance framework is inappropriate for that purpose. Obviously, the very purpose and nature of the operation for which CIA's extraordinary authorities have been utilized are incompatible with the concept underlying overt U.S. foreign aid programs.

Let me assure you that at the time the decision to go forward with the Presidential Finding for this sensitive operation was made, these legal authorities were reviewed in order to ensure that this Agency was in full compliance with the law.

CONCLUSION:

Let me make it perfectly clear that it was apparent to all that this initiative was a controversial one. Even those of us who supported going forward understood that it was a close call and a risky operation. There were no illusions.

Was it a reasonable call? Yes, I think it was. As the health of Khomeini has declined over the past year, we have seen an increase in factional infighting in Tehran. This infighting has been sharpened by severe economic problems, as well as the war with Iraq. There have been numerous arrests. This factional infighting has implications for both the United States and the Soviet Union. It was the Administration's judgement, that any powerful Iranian faction seeking to reestablish ties with the West and willing to attempt to curtail Iranian support for terrorism was worth talking to.

It was in that context that the judgement was made that providing a small amount of defensive weapons would give this faction some leverage in the internal struggle by suggesting that there were advantages in contacts with the West.

As I stated earlier, Iran is not going to go away. Its geographic and strategic position guarantee that it will remain a geopolitical force which the U.S. will have to deal with. If we do not establish ties to the various Iranian factions now, we will be faced with the problem of doing so later. It is that simple.

EXHIBIT OLN-27

OLC 10

UNCLASSIFIED Ollie North

SUBJECT: Background and Chronology of Special Project

BACKGROUND: The USG has actively sought the release of American hostages held in Iran through various channels since 1984. In addition, the USG has been interested in getting the Government of Iran to moderate its support for international terrorism. As it became clear that some of the hostages were being held by the pro-Iranian faction of the Hizballah, it was felt that the Iranian Government might be able to put pressure on the Hizballah to release its hostages.

In late 1984, Michael Ledeen approached the NSC to discuss contacts with Iran and suggested the NSC work with Israeli officials who already had contacts with Iran based on their covert arms deals with that country. Ledeen met with Prime Minister Peres who agreed to help and introduced Ledeen to David Kimche and Jacob Nimradi, two other Israeli officials. These two Israelis, in turn, introduced Ledeen to Manucher Gorbanifar, an Iranian arm merchant operating in Europe who was actively involved with the Israelis. Ledeen introduced Gorbanifar to NSC officials. Gorbanifar appeared to be well tied in with various factions within the Iranian Government and he served as the intermediary between the NSC and the Iranians.

In June 1985, the Hizballah hijacked TWA flight 847 and Iranian Majlis Speaker Rafsanjani played an important role in resolving that incident, which included the release of a number of Lebanese Shi'a held by Israel.

Throughout 1985 NSC contacts with Ledeen, Gorbanifar, and the Israelis continued. In summer 1985, NSC [redacted] officials first met Amiran Nir, an Israeli official on Peres' staff who was to become the princip[illegible] Israeli contact in NSC dealings with Gorbanifar and the Iranians.

In early September 1985, the CIA was asked by the NSC to [redacted] on Iranian communications due to the imminent release of an American hostage. The NSC informed the
8. CIA that Gorbanifar and [redacted] were involved.

On 14 September 1985, Reverend Weir was released by the Hizballah. At the same time, the Israelis, at NSC behest, delivered 508 TOW missiles to Iran. Since the Iranians would not pay for the TOW missiles until they were delivered, and since the NSC was instructed not to use any USG funds for the operation, Gorbanifar used his contacts with Saudi financier Adnan Khashoggi to come up with $5 million USD to pay for the

Partially Declassified/Released on 22 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

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INTELLIGENCE SOURCES
AND METHODS INVOLVED

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TOW missiles. The NSC agreed to provide the Israelis with 508 TOW missiles to replace those they provided for the operation. The aircraft carrying the TOW missiles delivered them to Tabriz but had problems during the return flight which forced a technical stop [redacted] before returning to Israel.

On 3 October 1985, the Hizballah announced they ~~have~~ had killed hostage Buckley, though later debriefings of released hostages indicate he probably died in early June 1985.

In November 1985, as the next step in the operation, the NSC arranged for Israel to send 18 [redacted] HAWK missiles to Iran. However, the Israelis neglected to remove the Israeli markings from some of the missiles. This oversight, plus the fact that the Iranians had been led to expect they would be receiving [redacted] HAWK missiles, led to a huge disagreement which caused further developments to grind to a halt.

In December 1985, McFarlane left the NSC and Poindexter ordered Ledeen out of the operation and made Ollie North
B. directly responsible for dealing with Gorbanifar [redacted]
On the Israeli side, Nimradi was replaced as the primary contact by Amiran Nir.

In January 1986, the President approved the operation to work with the Iranians for the release of hostages in return for military equipment. The CIA ~~is~~ was asked to provide logistical and operational support.

In early 1986, contacts with Gorbanifar serving as a
B. go-between to [redacted] continue.

In mid- February, the NSC delivers 1000 TOWs to Iran.

B. In March 1986, Gorbanifar [redacted]eet with the NSC in Germany. The NSC are given a list of spare parts for HAWK missile batteries and radars requested by the Iranians. CIA then works with select number of DOD officials to obtain the spare parts. It is agreed that the spare parts plus more TOW missiles will be delivered to Iran at the successful conclusion of a meeting between NSC officials and Iranians in Tehran.

To provide the US with the money for the spare parts and TOW missiles, Gorbanifar must again finance the deal. He raises 16 million dollars which is passed to the US, with the expectation that the Iranians will, in turn, pay him once the items have been delivered. Gorbanifar again works with

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Khashoggi to raise the money from several Canadian, American, and Arab investors.

On 22 April 1986, a U.S. Customs Service "Sting" Operation in Switzerland under the State Department's "Operation Staunch" disrupts a large on-going Iranian arms procurement deal being run by Gorbanifar. This deal was unrelated to the NSC operation. Gorbanifar is arrested by the Swiss, but released after 24 hours. Gorbanifar loses the money he and Khashoggi put into that particular operation, funds probably raised from the investors for the NSC operation.

On 15 May 1986, Gorbanifar finally comes up with sufficient funds for the next step of the NSC operation and a meeting is arranged to take place in Tehran.

On 22 May 1986, HAWK missile spare parts are picked from Kelly AFB and flown to Israel and the US team departs for Europe.

On 23 May, a second aircraft picks up 508 TOW missiles and flies to Israel.

On 24 May the US team goes to Israel where Nir joins them for the trip to Tehran. The Team departs for Tehran. They bring along some of the Spare Parts to show the Iranians their good faith.

On 25 May, the US team arrives in Tehran and holds meetings with the Iranians. However, the meetings do not go well, probably because the Iranian factional concensus is falling apart. The second aircraft load of spare parts is recalled while on its way to Iran and returns to Israel. The US team departs after five days, having made no progress.

B. In June and July 1986, talks with Gorbanifar and [redacted] continue and it is decided that the Iranians must show their good faith by forcing the Hizballah to release another hostage. In July Gorbanifar goes to Lebanon and Syria in an effort to get Father Jenko released.

On 26 July 1986, Father Jenko is released.

On 3 August 1986, the remainder of the HAWK spare parts that have been collected are delivered to Iran. The spare parts are picked up at Kelly AFB and flown to Iran via Israel.

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In August 1986, Gorbanifar reports the Iranians are angry over the price he charged them for the spare parts and the whole operation stalls over this issue. The NSC suspects that Gorbanifar has not been truthful.

A new channel is found through NSC contacts with [redacted]

In September 1986, the NSC drops the Gorbanifar [redacted] channel and decides to meet with Rafsanjani's [redacted]

On 19 September [redacted] come to the US for meetings at the NSC. They are aware of the Gorbanifar [redacted] channel and offer to replace it.

On 6 October, there is a second meeting with [redacted] which takes place in Germany. He is accompanied to this meeting by a [redacted] At that meeting, they agree to a several point plan which will involve the release of two hostages as an initial step. They disclaim any involvement in the three recent hostage kidnappings and say that their faction of the Hizballah only hold three of the hostages. They also agree to try to find Buckley's remains to return to the US. In addition they agree to turn over a copy of the Hizballah debriefing of Buckley.

On 26 October, the NSC has another meeting with the Iranians in Frankfurt and agree to the release of two hostages in return for a shipment of 500 TOW missiles. Since the money they provided in October had not cleared into the US account, the NSC prevails upon the Israelis to send 500 TOWS to Iran, with the agreement they will be replaced by the US as soon as possible.

On 29 October, the Israelis deliver 500 TOW missiles to Iran.

On 2 November, hostage Jacobson is released.

On 3 November, a pro-Syrian magazine in Beirut breaks the story that Jacobson and the other hostages had been released by Iranian pressure in return for military equipment.

Exhibit OLN-28

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[redacted]

20 Nov 86, [illegible]

Iran Testimony
21 November 1986

8 Jul 87

Throughout the Reagan Administration, both the national security community and the intelligence community have been keenly aware and constantly concerned about the geopolitical position and the strategic significance of Iran. Much thought and effort has been devoted to how we might develop contacts and relationships which would provide a better understanding of what is happening there and establish contacts and relationships which might lead to improved relationships later on.

I recall speaking to [redacted] about the importance of our [redacted]dentifying and establishing contact with leaders in a future Iran. [redacted] said that we do not know who will emerge to lead Iran in the future, [redacted] that we must gather all the strands and hold them in our hands so [redacted] will be ready. [redacted]

In the fall of 1985, Bud McFarlane, after a weekly meeting which he and his deputy had with me and my deputy, asked me to stay behind. He told me about discussions he had had at the highest levels in Israel urging the desirability of discussions with officials in Iran and offering channels of access. I distinctly recall McFarlane emphasizing that the purpose of such discussions would be the future relationships with Iran and its great importance in the East-West and Middle East-Persian Gulf equation. The Israelis wanted to put us in touch with an Iranian expatriate. The Israelis said they had checked out this man's background and contacts exhaustively and had high confidence in the quality of his relationship with high Iranian officials.

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McFarlane had been told that at the time of the TWA 747 hijacking in 1985, the Israelis had asked this Iranian expatriate to use his influence with senior Iranian officials to obtain the release of some of the hijacked passengers. Just two days later, four Americans who had been separated from the bulk of the hijacked passengers were freed and turned over to Syrian authorities. The Speaker of the Majlis, Rafsanjani, was traveling in the Middle East at the time with Iranian Foreign Minister Velayati and were believed to have intervened with the captors to release the four Americans. Rafsanjani, in a speech on 4 November 1986 (check year??), for the first time publicly acknowledged his role in securing the freedom of the hijacked passengers.

In late November 1985, the NSC asked ~~our~~ officers in [redacted] to recommend a charter airline, the reliability of which we could vouch for, to carry some unspecified cargo from Tel Aviv into Iran. Our [redacted] was told that there was some urgency about this in connection with a meeting in Geneva between an Iranian official, ~~the~~ expatriate intermediary, and private U.S. citizens. Our [redacted] recommended a proprietary of theirs [redacted]. ~~This~~ little airline [illegible] regularly took on commercial ventures. ~~and we did not know what was being moved.~~ The NSC [illegible] the Iranians. [illegible] When the plane got to Tel Aviv, the pilots were told the cargo was spare parts for the oil fields and was to go into Tabriz. At NSC's [illegible] ~~Our~~ [redacted] ~~decided that~~ in order to protect the plane, our [redacted] ~~should be~~ asked to get [illegible] flight clearances into Iran. On 25 November 1985, the plane dropped the cargo in Tehran without knowing what it actually was. The Israelis were unwitting that the plane was a CIA proprietary. ~~and~~ the airline charged the normal commercial rate which was approximately $127,000 ~~million~~. Our ~~Associate~~ [illegible] Director for Operations authorized the flight because of the alleged

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attached by NSC

urgency of the requirement, but in consultation with the Deputy Director decided that we ~~would~~ should not provide any future support of flights into Iran in the absence of a finding.

We didn't learn until sometime in January 1986 that the shipment involved 18 air defense missiles and that it was later rejected by the Iranians on the basis that it was not what the Iranians had ordered from the Israelis. In this affair, our air proprietary had been made available to accommodate a delivery requirement in which the NSC was interested and the shipment was billed and paid for at the normal rates charged by our air proprietary.

In the meantime, the policy of probing the possibility of discussions with Iranian officials, including small shipments of arms to establish our good faith and to induce them to use their influence with those holding our hostages, was discussed at one or two meetings of the NSPG principals. There were differences of view about the desirability of this policy, but it was finally decided that it should be cautiously pursued.

On 6-8 December 1985, Bud McFarlane, then National Security Advisor, met in London with the Israeli officials and the Iranian expatriate. At this meeting, Mr. McFarlane stated our goals of pursuing the relationship with Iran were these:

- -- Devising a formula for reestablishing a strategic relationship with Tehran.
- -- Ending the Iran-Iraq War on honorable terms.
- -- Convincing Iran to cease its support for terrorism.
- -- Helping ensure the territorial integrity of Iran and coordinating ways to counter Soviet activities in the region.

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Mr. McFarlane made clear that in this relationship we would expect Iran to use its influence to achieve the release of Western hostages in Lebanon. He also made it clear that we could not and would not engage in trading arms for hostages.

On 17 January 1986, a Presidential Finding was signed directing the CIA to provide operational and logistical support for a program aimed at (1) establishing a more moderate government in Iran, (2) obtaining intelligence to determine the current Iranian government's intentions with respect to its neighbors and with respect to terrorist acts, and (3) furthering the release of American hostages held in Beirut and preventing further terrorist acts by these groups.

The Finding stated that the USG will provide moderate elements within the government of Iran with arms equipment and related materiel in order to enhance the credibility of these elements in their efforts to achieve a more moderate government in Iran by demonstrating their ability to obtain resources to defend their country.

In the Finding, the President directed the CIA to refrain from reporting the Finding to the Congress as provided in Section 501 of the National Security Act of 1947, as amended, until otherwise directed.

At the time the Presidential Finding was signed, the CIA's Office of General Counsel ~~provided the legal opinion~~ concluded that the President clearly has the authority to withhold prior notice of operations from the Congress. Section 501 of the National Security Act expressly provides that notification of intelligence activities to the Congress shall be provided "to the extent consistent with all applicable authorities and duties, including those conferred by the Constitution."

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The Act also states that the Intelligence Committees be informed of activities for which no prior notice was given at the appropriate time as determined by the President. This was a clear recognition that extraordinary circumstances could lead the President to conclude that notice of an operation should be withheld, in whole or in part.

The history to the Oversight Act shows that an accommodation recognizing both the President's constitutional responsibility and authority and the Congressional oversight responsibility and authority was reached in this legislative process. The subsequent procedures agreed upon by the DCI and the SSCI on reporting covert action operations provide that advance reporting of such operations would also be subject to the exceptional circumstances contemplated in Section 501 of the National Security Act.

The President determined that the activities authorized by the Finding justified withholding prior notification due to the extreme sensitivity of the dialogue being established. His advisors recognized that if the fact of this program become known, the American hostages in Lebanon would be put at a greater risk.

On 5-7 February 1986, U.S. officials from the NSC and CIA met in Germany with representatives of the Israeli Prime Ministry and a senior-level Iranian official. At this meeting, the Iranians agreed that if the USG would provide TOW weapons to Iran, they would, [redacted] The U.S. agreed to explore this possibility and, working with the Israelis, established the following mechanism for transfer of the weapons:

-- The Iranian intermediary would deposit funds in an Israeli account

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-- The Israelis would transfer funds to a sterile U.S.-controlled account in an overseas bank.

-- Using these funds, the CIA would covertly obtain materiel authorized for transfer from U.S. military stocks and transport this to Israel for onward movement to Iran.

Using these procedures, funds were deposited in the CIA account in Geneva on 11 February 1986 and on 14 February 1,000 TOWs were transported to Israel for pre-positioning. These TOWs were transferred by CIA from DoD (U.S. Army stocks in Anniston, Alabama) and transported through [redacted] using standard CIA-DoD [redacted] logistics arrangements. Policy-level coordination for these arrangements was effected by NSC (North) with DoD (Armitage and Koch) and CIA (Clair George). The TOWs were placed in a covert Israeli facility awaiting onward shipment.

On 19-21 February, U.S. and Iranian officials (NSC and CIA) met again in Germany to discuss problems in arranging a meeting among higher-level officials. At this meeting, the U.S. side agreed to provide to Iran the 1,000 TOWs that had been repositioned on 14 February ~~1,000 TOWs to Iran~~ as a clear signal of U.S. sincerity. This delivery was commenced on the morning of 20 February and completed in two transits to Tehran on 21 February. Transportation from Israel to Iran was aboard a false flag Israeli aircraft.

On 7 March, U.S. (CIA and NSC) and Israeli representatives met with the Iranian intermediary in Paris to determine whether any further progress was possible in arranging for a high-level meeting with U.S. and Iranian officials. During these meetings, the intermediary emphasized the deteriorating economic situation in Iran and Iranian anxieties regarding increasing Iraqi military effectiveness.

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Based on assurances that we could at last meet face-to-face with top-level Iranian officials, on 15 May the President authorized a secret mission to Tehran by former National Security Advisor McFarlane~~, accompanied by a CIA~~

On 16 May 1986, the Iranians provided $6.5 million through an intermediary for Hawk spare parts and an additional 508 TOW missles. The receipt of the Iranian funds set into motion arrangements for the planned visit to Iran as follows:

--The Office of Communications provided secure communication equipment and the services of a communications officer to travel into Iran with the U.S. team.

--The Office of Technical Services was tasked to provide ten [redacted] passports for use by the team and the air crew of the aricraft that would fly from Israel to Tehran. The Iranians insisted on the use of non-U.S. passports. [redacted] passports were chosen because the Israeli aircraft used for the journey carried [redacted] registration numbers.

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During these meetings, both sides used the opportunity to detail the obstacles to implementing a strategic relationship between the two countries. In addition to the points noted above, Mr. McFarlane emphasized the political problems caused by Iranian involvement in the hostage issue. The Iranians objected to the USG embargo on U.S. military supplies already paid for plus the continued USG blocking of Iranian assets in the U.S., even after U.S. courts had ruled in their favor.

On 10 June, Majlis Speaker Rafsanjani, in a speech in Tehran made guarded reference to Iranian interest in improved relations with the U.S. On 26 July, Father Lawrence Jenco was released in the Bekka Valley and found his way to a Syrian military checkpoint. On 3 August, three pallets (less than 1/2 planeload) of electronic parts for Iranian anti-aircraft defenses (HAWK missile sub-components arrived in Tehran (from Israel).

In mid-August, two contacts were made with Iran. George Cave, a CIA annuitant, made contact with [redacted] and Ollie North of the NSC/P made contact with [redacted] of the senior Iranian official Rafsanjani. Through August, September, and October 1986, numerous additional meetings

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nearly introduction

[redacted] The arrest of Mehdi Hashemi [redacted]

Despite these internal difficulties and attendant publicity in the Western media, the Iranians continue to maintain direct contact with the USG and met again in Geneva on 9-10 November with NSC and CIA representatives.

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[redacted]

It is important to note that since the initiation of the USG contact with Iran, there has been no evidence of Iranian government complicity in acts of terrorism against the U.S. We believe that the September-October kidnappings of Messrs. Reed, Cicippio, and Tracy were undertaken in an effort to undermine the nascent U.S.-Iranian strategic dialogue and exacerbate the internal Iranian power struggle against the moderate faction with which we have been in contact. [redacted] Contrary to speculative reports that these hostages were taken in order to stimulate the acquisition of more arms, they were most likely captured in order to prevent the very rapprochement

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This brings the record of CIA involvement in these activities authorized by the 17 January 1986 Presidential Finding up to date as of the present time. We should note that none of the weapons came from CIA stocks.

We have received no requests to acquire any more materiel of any type for shipment to Iran under this program.

I would like to reiterate that the funds for the procurement of the materiel ennumerated above, as well as for all associated costs, were provided by the Iranians themselves. Funding from Iran was transferred to CIA for deposit in a covert funding mechanism. This action provided secure means for control, payment, and accountability of all funding associated with this program. The Iranian funds, a total of $12,237,000, were deposited into a special account in a Swiss bank.

The only costs incurred by the CIA in this activity were expenses for the travel of CIA officers involved in the various meetings, the costs of hotel rooms [redacted] operational support [redacted] amounting to approximately $48,000. The costs for this support have been charged against normal operational accounts. Since all travel by CIA officials is routinely charged to such accounts, to do otherwise in the case of the trips undertaken during this program would have compromised the security of the activities.

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LEGALITY OF ARM SHIPMENTS

Questions which have appeared in the media as to the legality of the arms shipments raise the question as to whether or not the CIA was responding to a legal order.

At the time the Presidential Finding was signed, applicable legal authorities were reviewed and it was determined that there is clear and ample authority for the President to approve transfers outside the context of the Foreign Assistance Act and Arms Export Control Act. Those laws were not intended and have not been applied by Congress to be the exclusive means for sale, loan or provision of U.S. military equipment to foreign governments.

CIA's legal authority to furnish U.S. military equipment to foreign governments on a covert basis is based on language contained in Section 102 (d) of the National Security Act of 1947, which provides that it shall be the duty of the CIA, under NSC direction, to perform services of common concern for the benefit of intelligence agencies and to perform "such other functions and duties relating to intelligence affecting the national security as the National Security Council may from time to time direct." In short, it is clear that legal authority exists for CIA to transfer U.S. military equipment abroad outside the foreign military sales and assistance statutory framework when the activity is in furtherance of a legitimate and authorized CIA mission; that is, a special activity or intelligence collection operation.

This fundamental and underlying legal conclusion has been arrived at by the CIA Office of General Counsel and has been confirmed by the Attorney General. A transfer is legal, therefore, if we can show that the transfer is in the furtherance of an approved and legitimate intelligence activity and, for covert action, that there is a signed Presidential Finding covering the activity as provided by the Hughes-Ryan Amendment.

The next question is how the CIA obtains the materiel it needs in order to meet those legitimate intelligence interests. CIA's legal authorities permit it to obtain military equipment if it is available on the open market. If that is not the case, or if the equipment cannot be provided as conveniently or cheaply by a commercial enterprise, CIA can utilize the Economy Act to obtain the necessary items from the Department of Defense. Of course, transfers of U.S. military

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equipment in general ought to be, and are in fact, made to foreign governments under the U.S. foreign assistance program. However, it is important to point out that any decision to have CIA supply U.S. military equipment inherently involves a determination that the foreign military assistance framework is inappropriate for that purpose. Obviously, the very purpose and nature of the operation for which CIA's extraordinary authorities have been utilized are incompatible with the concept underlying overt U.S. foreign aid programs.

Let me assure you that at the time the decision to go forward with the Presidential Finding for this sensitive operation was made, these legal authorities were reviewed in order to ensure that this Agency was in full compliance with the law.

CONCLUSION:

Let me make it perfectly clear that it was apparent to all that this initiative was a controversial one. Even those of us who supported going forward understood that it was a close call and a risky operation. There were no illusions.

Was it a reasonable call? Yes, I think it was. As the health of Khomeini has declined over the past year, we have seen an increase in factional infighting in Tehran. This infighting has been sharpened by severe economic problems, as well as the war with Iraq. There have been numerous arrests. This factional infighting has implications for both the United States and the Soviet Union. It was the Administration's judgement that any powerful Iranian faction seeking to reestablish ties with the West and willing to attempt to curtail Iranian support for terrorism was worth talking to.

It was in that context that the judgement was made that providing a small amount of defensive weapons would give this faction some leverage in the internal struggle by suggesting that there were advantages in contacts with the West.

As I stated earlier, Iran is not going to go away. Its geographic and strategic position guarantee that it will remain a geopolitical force which the U.S. will have to deal with. If we do not establish ties to the various Iranian factions now, we will be faced with the problem of doing so later. It is that simple.

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EXHIBIT OLN-29

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~~SECRET/SENSITIVE~~

21 Nov 86

DCI's Iran Testimony for HPSCI and SSCI
21 November 1986

N 10007

Throughout the Reagan Administration, both the national security community and the intelligence community have been keenly aware and constantly concerned about the geopolitical position and the strategic significance of Iran. Much thought and effort has been devoted to how we might develop contacts and relationships which would provide a better understanding of what is happening there and establish contacts and relationships which might lead to improved relationships later on.

I recall speaking to [redacted] about the importance of our identifying and establishing contact with leaders in a future Iran. [redacted] said that we do not know who will emerge to lead Iran in the future, but that we must gather all the strands and hold them in our hands so that we will be ready. [redacted]

In the early fall of 1985, Bud McFarlane, after one of the weekly meetings which he and his deputy had with me and my deputy, asked me to stay behind. He told me about discussions he had had at the highest levels in Israel urging the desirability of discussions with officials in Iran and offering channels of access. He told me that, for obvious reasons, only a handful of people in the Israeli and American governments were to be told about this effort. I distinctly recall McFarlane emphasizing that the purpose of such discussions would be the future relationships with Iran and Iran's great importance in the East-West and Middle East-Persian Gulf equation.

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Partially Declassified/Released on 9 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

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CIA's involvement began when the Agency was asked to recommend a reliable airline that could transport bulky oil-drilling parts to an unspecified destination in the Middle East. We recommended a proprietary of ours called [redacted] This little airline regularly took on commercial ventures. Neither the arline nor CIA knew the cargo consisted of 18 Hawk missiles.[4] When the plane got to Tel Aviv, the pilots were told the cargo was spare parts for the oil fields and was to go into Tabriz. Our [redacted] decided that in order to protect the plane, [redacted] should be asked to get flight clearances into Iran. On 25 November 1985, the plane dropped the cargo in Tehran. To the best of our knowledge, neither the Israelis nor the Iranians knew that they were dealing with a CIA proprietary, nor did airline personnel knew what they were carrying. The airline was paid the normal commercial rate which amounted to approximately $127,700. I should stress that the airline does a considerable amount of normal business in addition to its support to CIA. [redacted]

Our Associate Deputy Director for Operations authorized the flight because of the alleged urgency of the requirement. When the Deputy Director was consulted on 25 November, it was decided that we would not provide any future support of flights into Iran in the absence of a Finding.

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In the meantime, the Israeli proposal of probing the possibility of discussions with Iranian officials, including making small shipments of arms to establish our good faith and to induce them to use their influence with those holding our hostages, was discussed at one or two meetings of the NSPG principals. There were differences of view about the desirability of this policy, but it was finally decided that it should be cautiously pursued.

On 7 December 1985, Bud McFarlane, then National Security Advisor, met in London with Israeli officials and the Iranian expatriate who was their intermediary to the Iranian government. At this meeting, Mr. McFarlane stated our goals of pursuing the relationship with Iran were these:

- -- Devising a formula for reestablishing a strategic relationship with Tehran.
- -- Ending the Iran-Iraq War on honorable terms.
- -- Convincing Iran to cease its support for terrorism.
- -- Helping ensure the territorial integrity of Iran and coordinating ways to counter Soviet activities in the region.

Mr. McFarlane made clear that in this relationship we would expect Iran to use its influence to achieve the release of Western hostages in Lebanon. He also made it clear that we could not and would not engage in trading arms for hostages. This matter was discussed again several times with the President and others in the national security community following the December McFarlane trip.

On 17 January 1986, a Presidential Finding was signed directing the CIA to provide operational and logistical support for a program aimed at (1) establishing a more moderate government in Iran, (2) obtaining intelligence to determine the current Iranian government's intentions with respect to its neighbors and with respect to terrorist acts, and (3) furthering the release of American hostages held in Beirut and preventing further terrorist acts by these groups.

~~SECRET~~

The Finding stated that the USG would provide moderate elements within and without the government of Iran with arms equipment and related materiel in order to enhance the credibility of these elements in their efforts to achieve a more moderate government in Iran by demonstrating their ability to obtain resources to defend their country.

In the Finding, the President directed the CIA to refrain from reporting the Finding to the Congress until otherwise directed. The Finding was reviewed and concurred in by the Attorney General.

At the time the Presidential Finding was being drafted, the CIA's Office of General Counsel provided the legal opinion that the President has the authority to withhold prior notice of operations from the Congress. Section 501 of the National Security Act expressly provides that notification of intelligence activities to the Congress shall be provided "to the extent consistent with the all applicable authorities and duties, including those conferred by the Constitution."

The Act also states that the Intelligence Committees be informed of activities for which no prior [illegible] was given at the appropriate time as determined by the President. This was a clear recognition that extraordinary circumstances could lead the President to conclude that notice of an operation should be withheld, in whole or in part.

The history to the Oversight Act shows that an accommodation recognizing both the President's constitutional responsibility and authority and the Congressional oversight responsibility and authority was reached in this legislative process. The subsequent procedures agreed upon by the DCI and the SSCI on reporting covert action operations provide that advance reporting of such operations would also be subject to the exceptional circumstances contemplated in Section 501 of the National Security Act.

The President has instructed me to advise you that he determined that the activities authorized by the Finding justified withholding prior notification due to the extreme sensitivity of the dialogue being established. He determined that if the fact of this program became known, those carrying out the dialogue (both U.S. and Iranian) and the American hostages in Lebanon would be put at a greater risk.

There have only been two Findings since the inception of the oversight process ten years ago which have not been briefed to Congress. This is one. The second was the Iranian hostage rescue mission.

Now I would like to explain exactly what activities were undertaken by the CIA in carrying out the directives of this Finding signed on 17 January 1986.

On 5-7 February 1986, U.S. officials (NSC), a representative of the Israeli Prime Ministry (Amiram Nir), and a senior-level Iranian official [redacted] met in Germany. At this meeting, the U.S. side emphasized its desire to enter into a strategic dialogue with the Iranian side. The Iranians raised their desire to receive U.S. weapons. The U.S. agreed to explore this possibility. Working with the Israelis, the following mechanism for transfer of the weapons was established:

- The Iranian intermediary (Ghorbanifar) would deposit funds in an Israeli account.
- The funds would then be transferred to a sterile U.S.-controlled account in an overseas bank.
- Using these funds, the CIA would work with the Army Logistics Command to obtain the materiel.
- The materiel would then be transported to Israel for future shipment to Iran.

Using these procedures, $3.7 million was deposited in the CIA account in Geneva on 11 February 1986 for the purchase of 1,000 TOW missiles and associated costs.

On 15 February, Office of Logistics personnel delivered the 1,000 TOW missiles to Kelly Air Force Base. The missiles were then transported to Israel for onward shipment to Iran. CIA was not involved in the transportation of this shipment.

On 19-21 February, U.S. (NSC and CIA) and Iranian officials met again in Germany to discuss problems in arranging a meeting among higher-level officials. At this meeting, the U.S. side agreed to provide 1,000 TOWs to Iran as a clear signal of U.S. sincerity and support for the faction we were talking to. This delivery was commenced on the morning of 20 February and completed in two transits to Tehran on 21 February. Transportation from Israel to Iran was aboard a false flag Israeli aircraft.

On 24 February, the same U.S. officials traveled to Germany where they met with the intermediary and an Iranian government official. At that meeting, the Iranian official provided a list of varying quantities of approximately 240 different spare parts needed for the Hawk missile batteries provided by the USG to Iran during the Shah's reign. The Iranian official asked for USG assistance in obtaining these spare parts as additional proof that this channel had the approval of the highest authority in the USG.

On 25 February, the U.S. officials, as they continued to do in later contacts with the Iranians, provided the Iranians with limited information designed to encourage an Iranian decision to negotiate an end to the war and increase Iranian awareness of the Soviet threat to Iran.

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Throughout March and April, the Office of Logistics worked with DoD to clarify the items on the Iranians' list of spare parts and identify which items were in DoD stocks.

On 7 March, U.S. (CIA and NSC) and Israeli representatives met with the Iranian intermediary in Paris to determine whether any further progress was possible in arranging for a high-level meeting with U.S. and Iranian officials. During these meetings, the intermediary emphasized the deteriorating economic situation in Iran and Iranian anxieties regarding increasing Iraqi military effectiveness.

Based on assurances that we could at last meet face-to-face with top-level Iranian officials, on 15 May the President authorized a secret mission to Tehran by former National Security Advisor McFarlane, accompanied by a CIA annuitant, a CIA communicator, members of the NSC Staff, and the Israeli and Iranian interlocutors.

On 16 May 1986, the Iranians provided $6.5 million through an intermediary for Hawk spare parts and an additional 508 TOW missiles. The receipt of the Iranian funds set into motion arrangements for the planned visit to Iran as follows:

-- The Office of Communications provided secure communication equipment and the services of a communications officer to travel to Iran with the U.S. team

-- The Office of Technical Service was tasked to provide ten [redacted] passports for use by the team and the air crew of the aircraft that would fly from Israel to Tehran. The Iranians insisted on the use of non-U.S. passports [redacted] passports were chosen because the Israeli aircraft used for the journey carried [redacted] registration numbers.

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-- The Office of Logistics assembled the available Hawk missile spare parts at Kelly Air Force Base. The parts were then transported to Israel by a private contractor (Southern Air Transport).

-- The Office of Logistics delivered 508 TOW missiles to Kelly Air Force Base for onward shipment to Israel by private contractor (Southern Air Transport).

On 25 May, the U.S. team traveled to Tehran via Israel. The CIA provided two members of the team--a communications officer and a Farsi speaking annuitant with considerable experience in Iranian affairs. The annuitant provided translation services and advice to the team. He continued to be involved in subsequent meetings with Iranian representatives.

The U.S. team brought a single aircraft pallet of Hawk missile spare parts with them to Tehran at the time of the meeting. However, it was decided that the greater portion of the spare parts would stay in Israel for later delivery to Iran pending further progress in establishing the dialogue. We understand that those spare parts were ultimately delivered to Iran.

The 25-29 May meetings were held with high-level Iranian officials, the first direct contact between the two governments in over six years. Mr. McFarlane and his team were able to establish the basis for a continuing relationship and clearly articulate our objectives, concerns, and intentions. The group was also able to assess first-hand the internal political dynamic in Tehran and the effect of the war on Iran. Using Presidentially-approved Terms of Reference, which had been reviewed and approved by appropriate Cabinet officers, McFarlane emphasized that our interest in Iran transcended the hostages, but the continued detention of hostages by a Lebanese group philosophically aligned with Iran prevented progress. During the visit, Mr. McFarlane made clear:

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-- that we fundamentally opposed Iranian efforts to expel us from the Middle East;

-- that we firmly opposed their use of terrorism;

-- that we accepted their revolution and did not seek to reverse it;

-- that we had numerous other disagreements involving regional policies (i.e., Lebanon, Nicaragua, etc.), but might also find areas of common interest [redacted] through dialogue.

On 19 September, three Iranians traveled to the U.S. for detailed discussions with the U.S. team. These discussions reaffirmed the basic objectives of the U.S. in seeking a political dialogue with Tehran.

Throughout August and September, numerous additional meetings were held in Europe between U.S. representatives and the new Iranian contacts in an effort to develop the dialogue authorized by the Presidential Finding.

On 6 October, those Iranians traveled to Frankfurt for meetings with the U.S. team. [redacted]

On 26 October, more meetings were held in Frankfurt with the same participants. [redacted]

The Iranians proffered, and the U.S. accepted, the offer of a Soviet T-72 tank [redacted] That tank should be in our hands shortly.

On 2 November, the Iranians provided $2.037 million and the Office of Logistics procured 500 more TOW missiles from DoD.

Those missiles were delivered by the Office of Logistics to Kelly Air Force Base on 6 November. A USAF C-141 aircraft carried the missiles to [redacted] where they were transshipped by a CIA air proprietary aircraft which carried the missiles to Israel.

~~SECRET~~

This brings the record of CIA involvement in these activities authorized by the 17 January 1986 Presidential Finding up to date as of the present time. We should note that none of the weapons came from CIA stocks.

We have received no requests to acquire any more materiel of any type for shipment to Iran under this program.

I would like to reiterate that the funds for the procurement of the materiel enumerated above, as well as for all associated costs, were provided by the Iranians themselves. Funding from Iran was transferred to CIA for deposit in a covert funding mechanism. This action provided secure means for control, payment, and accountability of all funding associated with this program. The Iranian funds, a total of $12,237,000, were deposited into a special account in a Swiss bank.

The only costs incurred by the CIA in this activity were expenses for the travel of CIA officers involved in the various meetings, the costs of hotel rooms [redacted] operational support [redacted] amounting to approximately $48,000. The costs for this support have been charged against normal operational accounts. Since all travel by CIA officials is routinely charged to such accounts, to do otherwise in the case of the trips undertaken during this program would have compromised the security of the activities.

Let me make it perfectly clear that it was apparent to all that this initiative was a controversial one. Even those of us who supported going forward understood that it was a close call and a risky operation. There were no illusions.

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Was it a reasonable call? Yes, I think it was. As the health of Khomeini has declined over the past year, we have seen an increase in factional infighting in Tehran. This infighting has been sharpened by severe economic problems, as well as the war with Iraq. There have been numerous arrests. This factional infighting has implications for both the United States and the Soviet Union. It was the Administration's judgment that any powerful Iranian faction seeking to reestablish ties with the West and willing to attempt to curtail Iranian support for terrorism was worth talking to.

It was in that context that the judgment was made that providing a small amount of defensive weapons would give this faction some leverage in the internal struggle by suggesting that there were advantages in contacts with the West.

As I stated earlier, Iran is not going to go away. Its geographic and strategic positions guarantee that it will remain a geopolitical force which the U.S. will have to deal with. If we do not establish ties to the various Iranian factions now we will be faced with the problem of doing so later. It is that simple.

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EXHIBIT OLN-30

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[redacted]

DCI's Iran Testimony for HPSCI and SSCI
21 November 1986

N1487

For the last five years, both the national security community and the intelligence community have been keenly aware and constantly concerned about the geopolitical position and the strategic significance of Iran. Much thought and effort has been devoted to how we might develop contacts and relationships which would provide a better understanding of what is happening there and establish contacts and relationships which might lead to improved relationships later on.

I recall speaking to [redacted] about the importance of our identifying and establishing contact with leaders in a future Iran. [redacted] said that we do not know who will emerge to lead Iran in the future, but that we must gather all the strands and hold them in our hands so that we will be ready. [redacted]

In the early fall of 1985, Bud McFarlane, after one of the weekly meetings which he as National Security Advisor and his deputy had with me and my deputy, asked me to stay behind. He told me about discussions he had had at the highest levels in Israel urging the desirability of discussions with officials in Iran and offering channels of access. He said that, for obvious reasons, only a handful of people in the Israeli and American governments knew about this effort. McFarlane emphasized that the purpose of such discussions would be the future relationships with Iran and Iran's great importance to the East-West and Middle East-Persian Gulf equation.

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CIA's involvement began in late November when the Agency was asked to recommend a reliable airline that could transport bulky cargo to an unspecified location in the Middle East. The requirement specified that it be reliable and able to move fast. A proprietary of ours which regularly took on commercial ventures was designated. When the plane got to Tel Aviv, the pilots were told the cargo was spare parts for the oil fields and was to go into Tabriz. Our [redacted] decided that in order to protect the plane, [redacted] should be asked to get flight clearances into Iran. This was done. On 25 November 1985, the plane dropped the cargo in Tehran. To the best of our knowledge, neither the Israelis nor the Iranians knew that they were dealing with a CIA proprietary. The airline was paid the normal commercial rate which amounted to approximately $127,700.

All this was authorized by our Associate Deputy Director for Operations. I was out of the country at the time and the Deputy Director, then in charge, approved the flight as an urgent mission in keeping with the proprietary's normal business. But he directed that we would not provide any future flights into Iran in the absence of a Finding.

In the meantime, the Israeli proposal of probing the possibility of discussions with Iranian officials, including making small shipments of arms to establish our good faith and to induce them to use their influence with those holding our hostages, was discussed at one or two meetings of the NSPG principals in December and January. There were differences of view about the desirability of this policy, but it was decided that it should be cautiously pursued.

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On 7 December 1985, Bud McFarlane, then National Security Advisor, met in London with Israeli officials and the Iranian expatriate who was their intermediary to the Iranian government. At this meeting, Mr. McFarlane stated our goals of pursuing the relationship with Iran were these:

- -- Devising a formula for reestablishing a strategic relationship with Tehran.
- -- Ending the Iran-Iraq war on honorable terms.
- -- Convincing Iran to cease its support for terrorism.
- -- Helping ensure the territorial integrity of Iran and coordinating ways to counter Soviet activities in the region.

Mr. McFarlane made clear that in this relationship we would expect Iran to use its influence to achieve the release of Western hostages in Lebanon. He also made it clear that we could not and would not engage in trading arms for hostages. This matter was discussed again several times with the President and others in the national security community following the December McFarlane tr

On 17 January 1986, a Presidential Finding was signed directing the CIA to provide operational and logistical support for a program aimed at three objectives: (1) establishing a more moderate government in Iran, (2) obtaining intelligence to determine the current Iranian government's intentions with respect to its neighbors and with respect to terrorist acts, and (3) furthering the release of American hostages held in Beirut and preventing further terrorist acts by these groups.

The Finding stated that the USG would provide moderate elements within and without the government of Iran with arms, equipment and related materiel in order to enhance the credibility of these elements in their efforts to achieve a more moderate government in Iran by demonstrating their ability to obtain resources to defend their country.

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In the Finding, the President directed the CIA to refrain from reporting the Finding to the Congress until otherwise directed. The Finding was reviewed and concurred in by the Attorney General.

At the time the Presidential Finding was being drafted, the CIA's Office of General Counsel provided the legal opinion that the President has the authority to withhold prior notice of operations from the Congress. Section 501 of the National Security Act expressly provides that notification of intelligence activities to the Congress shall be provided "to the extent consistent with all applicable authorities and duties, including those conferred by the Constitution."

The Act also states that the Intelligence Committees be informed of activities for which no prior notice was given at the appropriate time as determined by the President. This was a clear recognition that extraordinary circumstances could lead the President to conclude that notice of an operation should be withheld, in whole or in part.

The history to the Oversight Act shows that an accommodation recognizing both the President's constitutional responsibility and authority and the Congressional oversight responsibility and authority was reached in this legislative process. The subsequent procedures agreed upon by the DCI and the SSCI on reporting covert action operations provide that advance reporting of such operations would also be subject to the exceptional circumstances contemplated in Section 501 of the National Security Act.

The President has instructed me to advise you of his conclusion that the activities authorized by the Finding justified withholding prior notification due to the extreme sensitivity of the dialogue being established. He determined

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that if the fact of this program became known, those carrying out the dialogue (both U.S. and Iranian) and the American hostages in Lebanon would be put at a greater risk.

There have only been two Findings since the inception of the oversight process ten years ago which have not been briefed to Congress. This is second. The first was the Iranian hostage rescue mission of 1980.

Now I would like to explain exactly what activities were undertaken by the CIA in carrying out the directives of this Finding of 17 January 1986.

On 5-7 February 1986, U.S. officials (NSC), a representative of the Israeli Prime Ministry, and a senior-level Iranian official met in Germany. At this meeting, the U.S. side emphasized its desire to enter into a strategic dialogue with the Iranian side. The Iranians raised their desire to receive U.S. weapons. The U.S. agreed to explore this possibility. Working with the Israelis, the following mechanism for transfer of the weapons was established:

- -- The Iranian intermediary would deposit funds in an Israeli account.
- -- The funds would then be transferred to a sterile U.S.-controlled account in an overseas bank.
- -- Using these funds, the CIA would work with the Army Logistics Command to obtain the materiel.
- -- The materiel would then be transported to Israel for future shipment to Iran.

Using these procedures, $3.7 million was deposited in the CIA account in Geneva on 11 February 1986 for the purchase of 1,000 TOW-missiles and associated costs.

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On 15 February, Office of Logistics personnel delivered the 1,000 TOW missiles to Kelly Air Force Base. The missiles were then transported to Israel for onward shipment to Iran. CIA was not involved in the transportation of this shipment.

On 19-21 February, U.S. (NSC and CIA) and Iranian officials met again in Germany to discuss problems in arranging a meeting among higher-level officials. At this meeting, the U.S. side agreed to provide 1,000 TOWs to Iran as a clear signal of U.S. sincerity and support for the faction we were talking to. This delivery was commenced on the morning of 20 February and completed in two transits to Tehran on 21 February. Transportation from Israel to Iran was aboard a false flag Israeli aircraft.

On 24 February, the same U.S. officials traveled to Germany where they met with the intermediary and an Iranian government official. At that meeting, the Iranian official provided a list of varying quantities of approximately 240 different spare parts needed for the Hawk missile batteries provided by the USG to Iran during the Shah's reign. The Iranian official asked for USG assistance in obtaining these spare parts as additional proof that this channel had the approval of the highest authority in the USG.

On 25 February, the U.S. officials, as they continued to do in later contacts with the Iranians, provided the Iranians with limited information designed to encourage an Iranian decision to negotiate an end to the war and increase Iranian awareness of the Soviet threat to Iran.

Throughout March and April, the Office of Logistics worked with DoD to clarify the items on the Iranians' list of spare parts and identify which items were in DoD stocks.

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On 7 March, U.S. (CIA and NSC) and Israeli representatives met with the Iranian intermediary in Paris to determine whether any further progress was possible in arranging for a high-level meeting with U.S. and Iranian officials. During these meetings, the intermediary emphasized the deteriorating economic situation in Iran and Iranian anxieties regarding increasing Iraqi military effectiveness.

Based on assurances that we could at last meet face-to-face with top-level Iranian officials, on 15 May the President authorized a secret mission to Tehran by former National Security Advisor McFarlane, accompanied by a CIA annuitant, a CIA communicator, members of the NSC Staff, and the Israeli and Iranian interlocutors.

On 16 May 1986, the Iranians provided $6.5 million through an intermediary for Hawk spare parts and an additional 508 TOW missiles. The receipt of the Iranian funds set into motion arrangements for the planned visit to Iran as follows:

- The CIA Office of Communications provided secure communication equipment and the services of a communications officer to travel to Iran with the U.S. team
- The CIA Office of Technical Service was tasked to provide ten [redacted] passports for use by the team and the air crew of the aircraft that would fly from Israel to Tehran. The Iranians insisted on the use of non-U.S. passports. [redacted] passports were chosen because the Israeli aircraft used for the journey carried [redacted] registration numbers.

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- The Office of Logistics assembled the available Hawk missile spare parts at Kelly Air Force Base. The parts were then transported to Israel by a private contractor.
- The Office of Logistics delivered 508 TOW missiles to Kelly Air Force Base for onward shipment to Israel by private contractor.

On 25 May, the U.S. team traveled to Tehran via Israel. The CIA provided two members of the team--a communications officer and a Farsi speaking annuitant with considerable experience in Iranian affairs. The annuitant provided translation services and advice to the team. He continued to be involved in subsequent meetings with Iranian representatives.

The U.S. team brought a single aircraft pallet of Hawk missile spare parts with them to Tehran at the time of the meeting. However, it was decided that the greater portion of the spare parts would stay in Israel for later delivery to Iran pending further progress in establishing the dialogue. We understand that those spare parts were ultimately delivered to Iran.

The 25-29 May meetings were held with high-level Iranian officials, the first direct contact between the two governments in over six years. Mr. McFarlane and his team were able to establish the basis for a continuing relationship and clearly articulate our objectives, concerns, and intentions. The group, in its discussions and observations, was also able to assess first-hand the internal political dynamic in Tehran and the effect of the war on Iran. Using Presidentially-approved Terms of Reference, which had been reviewed and approved by appropriate Cabinet officers, McFarlane emphasized that our interest in Iran transcended the hostages, but the continued detention of hostages by a Lebanese group philosophically aligned with Iran prevented progress. During the visit, Mr. McFarlane made

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-- that we fundamentally opposed Iranian efforts to expel us from the Middle East;

-- that we firmly opposed their use of terrorism;

-- that we accepted their revolution and did not seek to reverse it;

-- that we had numerous other disagreements involving regional policies (i.e., Lebanon, Nicaragua, etc.), but might also find areas of common interest [redacted] through dialogue.

On 19 September, three Iranians traveled to the U.S. for detailed discussions with the U.S. team. These discussions reaffirmed the basic objectives of the U.S. in seeking a political dialogue with Tehran.

Throughout August and September, numerous additional meetings were held in Europe between U.S. representatives and the new Iranian contacts in an effort to develop the dialogue authorized by the Presidential Finding.

On 6 October, those Iranians traveled to Frankfurt for meetings with the U.S. team. [redacted]

On 26 October, more meetings were held in Frankfurt with the same participants. [redacted]

The Iranians proffered, and the U.S. accepted, the offer of a Soviet T-72 tank [redacted]

On 2 November, the Iranians provided $2.037 million and the Office of Logistics procured 500 more TOW missiles from DoD.

Those missiles were delivered by the Office of Logistics to Kelly Air Force Base on 6 November. A USAF C-141 aircraft carried the missiles to [redacted] where they were transshipped by a CIA air-proprietary aircraft which carried the missiles to Israel.

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This brings the record of CIA involvement in these activities authorized by the 17 January 1986 Presidential Finding up to date as of the present time.

In summary, a total of 2,008 TOW missiles along with various Hawk missile spare parts have been delivered under the Finding of 17 January 1986. 1,000 TOWs were delivered in February 1986; 508 in May 1986; and 500 in November 1986. We should note that none of the weapons came from CIA stocks.

We have received no requests to acquire any more materiel of any type for shipment to Iran under this program.

I would like to reiterate that the funds for the procurement of the materiel enumerated above, as well as for all associated costs, were provided by the Iranians themselves. Funding from Iran was transferred to CIA for deposit in a covert funding mechanism. This action provided secure means for control, payment, and accountability of all funding associated with this program. The Iranian funds, a total of $12,237,000, were deposited into a special account in a Swiss bank. [redacted]

The only costs incurred by the CIA in this activity were expenses for the travel of CIA officers involved in the various meetings, the costs of hotel rooms [redacted] operational support [redacted] amounting to approximately $48,000. The costs for this support have been charged against normal operational accounts. Since all travel by CIA officials is routinely charged to such accounts, to do otherwise in the case of the trips undertaken during this program would have compromised the security of the activities.

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I am confident that my testimony is complete as to the basic facts of CIA's involvement, but let me assure you that we are still combing our records and will promptly report any new information that comes to light.

Let me make it perfectly clear that it was apparent to all that this initiative was a controversial one. Even those of us who supported going forward understood that it was a close call and a risky operation. There were no illusions.

Was it a reasonable call? Yes, I think it was. As the health of Khomeini has declined over the past year, we have seen an increase in factional infighting in Tehran. This infighting has been sharpened by severe economic problems, as well as the war with Iraq. There have been numerous arrests. This factional infighting has implications for both the United States and the Soviet Union. It was the Administration's judgment that any powerful Iranian faction seeking to reestablish ties with the West and willing to attempt to curtail Iranian support for terrorism was worth talking to.

It was in that context that the judgment was made that providing a small amount of defensive weapons would give this faction some leverage in the internal struggle by suggesting that there were advantages in contacts with the West.

As I stated earlier, Iran is not going to go away. Its geographic and strategic positions guarantee that it will remain a geopolitical force which the U.S. will have to deal with. If we do not establish ties to the various Iranian factions now we will be faced with the problem of doing so later. It is that simple.

..................CO [illegible]

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Date [illegible]

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EXHIBIT OLN-31

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[redacted]

SUBJECT: CIA Airline Involvement

In late November 1985, a CIA proprietary airline was chartered to carry cargo to Iran at the NSC's request. The cargo was described to us as oil drilling space parts. Although we did not know it at the time, the cargo was actually 18 Hawk missles. The chronolgy of the incident is as follows:

On 22 November ~~1985~~ Fri, the NSC contacted the Agency with an urgent request ~~for the name of~~ a discreet, reliable airline that could transport bulky oil-drilling parts to an unspecified destination in the Middle East.

We offered the name of the CIA's proprietary airline as a company which could handle the NSC request. The NSC passed the name of our airline to ~~their intermediary with the Iranians.~~ the Israelis.

In the interim, we contacted our airline and told them that they would be receiving an urgent, legitimate charter request. The NSC intermediary contacted the airline that evening (22 November) and made arrangements for the airline to pick-up the parts [redacted]

The destination was changed to Tel Aviv and two ~~of our airline's~~ Boeing 707's operated by the proprietary arrived in Tel Aviv 23 November. The cargo was ultimately loaded onto only one of the aircraft. Loading was completed by 24 November and the aircraft proceeded to Iran via a stop at [redacted] and then overflying [redacted] At the NSC's request, and for the protection of our aircraft, we helped arrange for the overflight clearances.

To the best of our knowledge, neither the Israelis nor the Iranians knew ~~intermediary did not know~~ that they was dealing with a CIA proprietary, nor did airline personnel know what they were carrying. [illegible] ~~We at CIA did not find~~ out that our airline had hauled Hawk missles into Iran until mid-January when we were told by the Iranians.

The airline was paid by the Israelis the normal commercial rate which amounted to approximately $127,700. I should stress that the airline does a considerable amount of normal business in addition to its support to CIA. It had, in fact, made another unrelated ~~legitimate~~ flight into Tehran carrying commercial items prior to the 22-25 November incident.

Senior CIA management found out about the flight on 25 November. ~~February~~. Although we did not know the nature of the cargo, we thought that any future support of this type to the NSC would require a Finding.

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22 June 1987

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EXHIBIT OLN-31A

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OLN-31A

SUBJECT: CIA Airline Involvement

In late November 1985, a CIA proprietary airline was chartered to carry cargo to Iran. ~~[illegible]~~ The cargo was described to us as oil drilling spare parts. Although we did not know it at the time, the cargo was actually 18 Hawk missles. The chronolgy of the incident is as follows:

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We offered the name of the CIA's proprietary airline as a company which could handle the NSC request. The NSC passed the name of our airline to the ~~US intermediary with the Iranians~~ Israelis.

Israelis

In the interim, we contacted our airline and told them that they would be receiving an urgent, legitimate charter request. The ~~NSC intermediary~~ contacted the airline that evening (22 November) and made arrangements for the airline to pick-up the parts in [redacted]

operated by the proprietary

The destination was changed to Tel Aviv and two ~~of our airline's~~ Boeing 707's arrived in Tel Aviv 23 November. The cargo was ultimately loaded onto only one of the aircraft. Loading was completed by 24 November and the aircraft proceeded to Iran via a stop at [redacted] then overflying [redacted] At the NSC's request, and for the protection of our aircraft, we helped arrange for the overflight clearances.

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The airline was paid the normal commercial rate which amounted to approximately $127,700. I should stress that the airline does a considerable amount of normal business in addition to its support to CIA. It had, in fact, made another unrelated charter ~~legitimate~~ flight into Tehran carrying commercial items prior to the 22-25 November incident.

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Partially Declassified/Released on 7 July 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

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EXHIBIT OLN-32

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<HEADER>
\MSG FROM: NSJMP --CPUA TO: NSPBT --CPUA 11/22/86 16:36:3
To: NSPBT --CPUA PAUL THOMPSON

-- SECRET --

NOTE FROM: JOHN POINDEXTER

N 19124

<SUBJECT>
Subject: HFAC
<TEXT>
fyi
*** Forwarding note from NSRCM --CPUA 11/21/86 21:01 ***
To: NSJMP --CPUA

*** Reply to note of 11/21/86 19:12

-- SECRET --

NOTE FROM: ROBERT MCFARLANE
Subject: HFAC

Roger John. You must must be pretty well drained after the sessions with the Intel committees. That's not a terribly uplifting experience! I did it a tim or two for Ollie. I spent a couple of hours with Ed Meese today going over t record with him. The only blind spot n my part concerned a shipment in November '85 which still doesn't ring a bell with me.

But it appears that the matter of not notifying about the Israeli transfers can be covered if the President made a "mental finding" before the transfers took place. Well on that score we ought to be ok because he was all for letting the Israelis do anything they wanted at the very first briefing in t hospital. Ed seemed relieved at that. CAroline tells me that she has arrange for me to meet with the HFAC on Dec 8that 2:00pm. They want it to be closed but for the record. I don't mind either way but will be guided by whatever y all prefer.

[redacted]

6May198

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EXHIBIT
OLN-32

[redacted]

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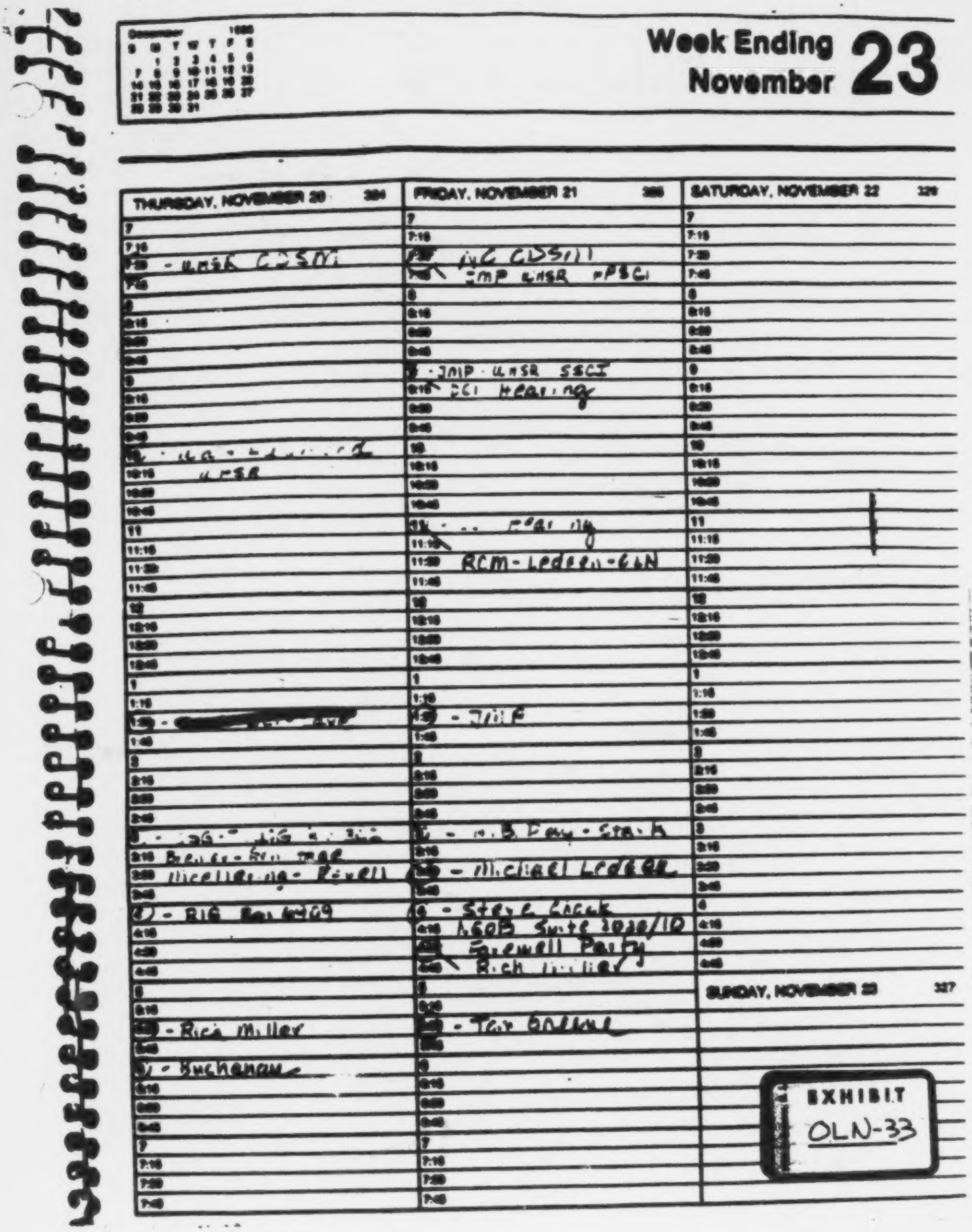
EXHIBIT OLN-33



Week Ending November 23

December 1986

THURSDAY, NOVEMBER 20 324

7:30 - UNSR CDSM

10 - [illegible]

10:15 UNSR

1:30 - [redacted]

3 - [illegible]

3:15 [illegible]

3:30 [illegible] - Powell

4 - RIG [illegible]

5:30 - Rich Miller

6 - Buchanan

FRIDAY, NOVEMBER 21 325

7:30 NC CDSM

7:45 JMP UNSR HPSCI

9 - JMP - UNSR SSCI

9:15 SCI Hearing

11 - .. Hearing

11:30 RCM - Ledeen - OLN

1:30 - JMP

3 - [illegible] - Staub

3:30 - Michael Ledeen

4 - Steve [illegible]

4:15 LEOB Suite 3030/10

4:30 Farewell Party

4:45 Rich Miller

5:30 - Tom Greene

SATURDAY, NOVEMBER 22 326

SUNDAY, NOVEMBER 23 327

EXHIBIT OLN-33

[illegible] s Schedule

Wednesday, Nov 19 46

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0615- HAYR Breakfast
Spitz & Garwood

1000- Father Tom Dowling

[illegible]

[illegible] Dick [illegible]

1600- JMP Mtg w/Gates-
Clair George-
IA employee [redacted]
(DCI Preparation)

☐ Jan 17 [illegible].

☐ [illegible]

Friday, Nov 2

0730- NO ODSM

0830- JMP in WHSR w/HPS

0900- JMP in WHSR w/SSC

[illegible] - [illegible]
1330 - JMP
1415 Buchanan
1500- H.B. Day Jim Sta
1550 - Michael Ledee
1600- Steve Chouck (WHC
Farewell NEOB 202

Tom Green 1900 [illegible].
501

[illegible] - Tom Green

MONDAY, 17 NOVEMBER

1000 - Father Dowling w/
Rich Miller

1200 - Lunch w/McDaniel,
Sommer & Mayor
of Barcelona
WH MESS

MAYOR Pasqual Naragall

Oliver North's Schedule

Tuesday, Nov 18

0730- ODSM WHSR

[illegible]

[illegible]

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EXHIBIT OLN-34

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Sunday
1 7166
1 5901

Oliver North, AG, WBR, CJC, JR

2^13 pm **AG**: Want to get all facts from everyone involved. Flesh out diff. recollections.
Talk to RR, John P.
Worst thing can happen is if someone try to conceal something to protect selves, RR, put good spin on it.
Want nothing anyone can call a cover up.
What happened early on?
How does Ledeen fit in.

ON: Ledeen first came to ON in July or June 85 — was consultant NSC — talk about Israeli proposal. L current memory is Amer. proposal — That L took to Isr.
I recall L to N to

? L Intro N to Al Schwimer — relat W/ Rodi + Adanakashomi.
In July or Aug, Schwimer talked in WH W/ N + L — est contacts W/ guy in Eur.
Schwimer

Nashed Allen to go to [redacted]

858

Partially Declassified/Released on 12 May 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

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EXHIBIT
OLN-34

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[redacted] J 7167

~~J 5905~~

I was totally unwitting of 508 TONS until after fact Bud call OLN; from Geneva — Rabine got problem — need move something around.

— Had discussed w/ MCF philos Israeli help moving something to Iran.

OLN called Rabine back — wanted to send man — big problem foot —

— move some things that support What you want to do

Rabine said told moving items to support rapprochment W/ Iran

— Dick Secord —: until [illegible]

— Went to see guy [redacted] —

Rabine said told N oil related equipmt.

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J 7168

~~J 5906~~
3

Several more convers. w/Bud — encour him to call Port offcls. + think he did. Israelis aborted the move.

Second went to Tel Aviv per Isr request. Clear high prior. ship —

I called Dewey Clarridge at CIA, got name proprietary.

Dick not yet in Tel Aviv — but when got there — told 18-19 Hawk missiles.

N talked to Bud — lengthy — M + N recall —: OK, but not right way to do it, not seen as exchange host. f/ arms. M meet RR — ~~get~~ RR to meet Israelis.

Mtg early Dec — 6 or 7 — with RR.
N to Eur. to set up M mtg w/ Iranians —
Next day M arrived —
2 mtgs 1 — all — Gorban, Second, etc
2 — not Kimche — w/N

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UNCLASSIFIED 1 5907 4

W/Kimche, emphatic that not Way to go — w/ arms → host, etc

Mtg: M , Second, Schwimer, Kimche, Nimrodi, Gorbanifar, N
(Israeli in London + lived in Iran)

AG: disc arms trans w/M.

N: M disc incentives + their need but said can't be seen as exchge arms f/ host

[redacted] (Aug 22 - philos disc Kimche + M — not op.

AG: TOWS —

N: No knowled —
learned Nov 25-6 from Second When in Tel Aviv —
[illegible]
Don't know who knew

Bud + Kimche meet
July, early Aug, late Aug in part of The

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5

When in room, never raised. 7170

In. London — f/u mtg ~~5908~~
Kimche, M, N — no appear.
exchge arms/host.
Broader discussion.
Kimche said all along —
need arms in deal —
— NYT article — Kimche.

N: the Nov. op is a mess —
There were 80 Hawks in
El Al plane —
Second shut it down b/c
can work —
Off loaded in Tel Aviv —
#1879 [redacted]

Probly Called Clarridge 22d or 23d —.

AG: CIA — word — look at legality.

Dick sent long rept to N on how
screwed up this is —. Shipmt of
Hawks.

Went in disc w/ Poin + McF —
late Nov, early Dec.
Whatever you want done not being
done right.
N probly told Claire or Dewey.

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UNCLASSIFIED ~~1 5909~~ J 7171
6

Told them shipmt involved arms + not oil drilling equipmt. ~~By~~ trouble b/c CIA o/k suppose to be oil equip.
Mid-Dec — talked to Casey.

Told them, as ops ofcr, not way to do whatever your policy is.

Secord learned it from Israelis

Finding: Version of finding that exists today — shows work in early Jan —
Started work in ~~early~~ mid-Dec.

Spokin work — on finding, retro applic — not til mid Dec work — I swear — + that was f/ prospective shipmts.

No knowledge of retro F for Hawks or future Hawks.
One draft re: all previous acts — work in mid-Dec.
After Dec. mtg. in London — talk to M re need f/ finding, etc.

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UNCLASSIFIED ~~1 5910 7~~ 7172

Can't have Isr. out doing this
+ want Finding to cover activities

Heard f/ McMahon, Casey + Sporkin
they were goosey about Hawk
shpmt. CIA thought wrong
later.

Need CIA to run op. — need Finding
M agreed w/ need f/ F —
— Sporkin, Casey, Gates, George, N,
met at Casey house in Dec.
— recall George was there —
mtg after trip to London.

Talk to anyone else about
shpmt after Second told you.
N: To Pam. — Said we need
something more —
Then N to CIA — plane.

Poin — totally innocent —
knew nothing of it.
1st learned in Nov when N
raised it.

N was told it oil equip — I wondered
if not but 1st knew —
Second

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UNCLASSIFIED ~~1 5911~~ 8
J 7173

Got clearance from Poin. to
contact Secord for CIA plane.

Secord: close personal friend —
lived in Iran; known when
AsstSecDef.
Not at N expense — Secord.

When learned Hawks, N → CIA? yes.
Who? Perhaps directly to Casey.
AG: Got to McMahon — who
sent to Iwas —
N: McMahon was not happy —
McMahon can't stand N, blames
b/ Nicar mining so wldn't call
McMahon.

AG: Ledeen:

Ledeen would have brought persons
to N? yes — but principal
contact for Ledeen was McF —
joining ~~of~~ suite at State —
Ledeen pushing Iran rapprochement.

When 1st hear about 508 TOWs?
Think sometime in Oct —
Weir released on 14th —
think result [redacted]

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UNCLASSIFIED ~~1 5912~~ 7174 9

[redacted] May have
been Second who told of 508 TOWS —
think it was. Nov. op a mess —
operationaly screwed up — if I'd
been involved wouldn't be
so screwed up — but ~~[illegible]~~
someone decided not to —
Whether M or K — defer to them.

CJC: Allen reminded N yet [redacted]
tasked to go to
[redacted] Gorbanifar —
per Allen it was Sep 85 —
bk Ledeen said worthwhile guy.
— reason: verify who in Iran
G talking to.
Israelis really pushing G. on us.

Didn't ask anyone else
re: coverage [redacted] — [redacted]

13 Sep 85 (re: TOWs ?) [redacted]
recent U.S. actions —
demonstrate good faith.

N: we talked prospectively —

Copies — Wein
Casey
M. N. } decision by M —

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UNCLASSIFIED J 7175
~~J 5913~~ 10

N: State not on list b/c it leaks
— handled thru INR —
then if don't like it, hits
pagers.

N: asked for dissim. of mtgs
Iran — to State —
not done. (by CIA analyst)

Chron. info re: stmt — [redacted]
where from?

Ledeen learned this in late Sept —
talks from Gorbanifar —
Ledeen told N in Sept.
Q: but said in Nov —
N: from an Israeli —; is when I
learned that from them is Nov.

In Dec, Ledeen told to go away
from this + never come back.
B/c get Israelis involvmt —
Schwimer, Ledeen, Gorbanifar —
N told Nir — + Nir took over.

Schwimer: bus'man; close to Peres.

Kimche dropped out same time — as
far as N knew — not K, but now N.

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J 7176
~~J 5914~~ 11

p.6 chron. not right — Jan. knew for sure
of Hawks (Nir)
Rep'td to MCF + Poin.
Leaked in Nov from Dick —
+ rep't'd to John + Bud.

Orig. plan — 2 80 Hawk loads
to Iran of 160 — not happen.
sent 18.

Return of Hawks —
Not correct in chron, what
N wrote — M said to N bk mad —
but Iran didn't like them —

Problem was Isr give $ back.
Don't know $ — pre-finding.

M told N to get Hawks back —
in early Jan. — when Kelly gone.
(2 Jan when Nir ~~[illegible]~~ here) —
Nir raised replenishmt for 1st time -
asked any deals made — N don't
know — ask M - said no deals —
N told Nir.
We did replenish —

Missiles sitting in crates — only 1
unpacked —. wrong type + needed
US technician — Celebrate. Said -

UNCLASSIFIED J 7177 12
~~5915~~

Hawks from Israeli stocks, best knowl.
Af: When we paid replenishmt —
Where $ go?

→ Iran, Nir, Swiss acct, to DOD
normal practice
CIA controller handles it, think.

Dick carried one transfer —
for 1000 TOWs —
Feb. event doesn't produce hostages —
(*) — [redacted]

Money moved to CIA account —
Iranians → Israelis → CIA account
→ Army

Show memo: Is it something you prepared? w/ terms of reference
dated Apr 86 —
reference to:
on 13 Sep, with endorsmt of US gov't,
Israelis transfer 508 TOWs —
— don't know who did it; think
M — based on gen'l understanding
from RR ~~[illegible]~~.
~~Some~~ have
~~Af~~ —: ~~[illegible]~~ Concern protect RR but
we need to know facts.

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J 7178
~~5916~~ 13

- Everyone N talked to in Israeli gov't ———
- Peres, Rabin, Shamir, ~~etc.~~ ——— at US request. But not info ff N.

Q: Was M main problem ~~the~~ perception or the fact of arms ~~[illegible]~~ to Iran ——— ff hostages.

N believes RR authorized it himself b/c M wouldn't go off on own. Think M → K understanding

N went to talk to RR re: strategic relation + w/RR it always came back to hostages ——.
Drawn to linkage
Terrible mistake to say ~~we~~ RR wanted the strategic relationship – b/c RR wanted the hostages —

AB: he (RR) talked about both —
if just relationship, not agree arms —
~~[illegible]~~ add hostages —

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UNCLASSIFIED J 7179
J 5917/14

AB: Same memo, appears to be written
between 4-7 April —
Mention of use of $ —
Transferred ? —
— yes, b/c used it f/ Hawk parts -
16 May $ deposited — to Israeli acct.

Use of $ —
—$2.— million for Israeli replacmt.
—$12 M residual funds for
Nicaraguan resistance

cost: 6.5 parts
2.5 replac TOWS Isr.
9.0 total so 3 M of residual funds.
(★) → Don't know how much was moved -
to Nicaraguans —

Israeli decides $ to Resistance.
Our involvmt — none — CIA, NSC
none.

AB: how

Nir: Israelis, in Jan 86, approach
w/ 2 ways to help —
[redacted]

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UNCLASSIFIED J 7180 15
J ~~5918~~

Arrange to take residuals from these transactions + to Nic.
AG - disc w/RR. — not w/ N.

→ Poin. — pt of contact w/RR.
Fortier involved too — became principal dep—.

Amt? N don't know.
Any CIA handling of that $ —
No, don't think they know,
some may suspect.

Israeli suggest to sweeten pot?
— Disc. Israeli help gen'lly —
N + Rabine.
Don't recall asking them.
Israeli offers.

If Pres. OKs something — into
working files of

AG: If RR approved it — you'd have it? Yes. don't think it was.

Other files there it could be in?
To verify it didn't go forward?
(*) N.N will ck.

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UNCLASSIFIED 7181 16

Ck if Israeli $ got to Nicaraguans? —
It's Iranian $ — from
profits of arms deal —.

N understood this part of deal.

How much more is there to it?

Feb shipment + last one both had
residuals —

Who else — M or Poin.

N told M in Apr or May 86

Only 3 who could know in
USG — M, P, N.

An Israeli idea — wanted
to be helpful.

guess money got to them from
this. Contras knew $ came [redacted]
+ apprec.. Know

Israeli offer → Calero → open 3 accts in Switz -
N gave #s to Israelis —
$ to accts.
CIA no knowledge —

Vis accusations of N raising $ —
lot other gov'ts have done
the thing w/ Calero + usual.

UNCLASSIFIED ~~1 5320~~ 7182

17

No other US ofcls involved —
M + Poin. knowledgable —

Israelis: Nir, (perhaps all himself)

Gorbanifar cut $ off top.

? { Iranians → Israel → account corp
→ CIA account → army weapons
— weapons
— transportation, etc

(12M in memo based on what told by Israelis.)

$ left in CIA account → $ ~ 200-300 K

AG: 3 transac

1. 1000 tows → Israel → Iran → $ Isr →
$ US
(Feb) (Gorbanifar in it.)

(~ 3-4M to contras in it)

2. Hawk parts / 508 replenishment:
—payment H/ parts
—payment for Tows replenishment.

(contras too)

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J 7183
~~J~~ 5921 18

- 3 – Oct 500 Tows:
  no $ for contras in that —
  Nir upset b/c not same price
  as before —: didn't want
  perception of pvt profit —
  no need of contra $ —
  flowing now.

(★) → $ amts — CIA
  deposits Europe
  pymt Army
  pymt trans.

[redacted]

Q: What else like Nicaraguan angle —
A: Nothing. —

Israelis said
  1 – divert funding — N: No.
  2 – use Israeli $ — N: No, ~~Att~~ —
  Israeli $ from!
  3 – So, have Iranians pay.

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J 7184
~~J 5922~~ 19

If this doesn't come out, only
- Other is Nov. Hawks deal —

- think someone ought to step up
and say this was authorized
in Nov.

Don't know if RR briefed on
it; possible Don Regan is.

Thompson may have seen it.

Folks in OLN o/c don't know.

AG: Must share w/RR — see if
he is aware of it.

Any other thing aware of?
Problematic areas —
508 transfer:
Hawk transfer:
Any thing else others could be
doing, have done?

Iranian law won't permit advance
pymt — so Gorb. & Kashogi
raise $, consortium.

Heard of complaints nonpymt —

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J 7185
~~1 592320~~

AF: Another source potential embarrassment —
Those who not paid + lost $.

Any in NY, elsewhere, working for us?
No; we turned over to Customs.
Gorba: 22 Apr bust — he had $ in it. LOST 19M in sting by FBI

AF out (4:05 pm): —.

Cooper:

Nir mtg w/ Poin/N — and Nir admits he in charge — Poin. upset w/ Hawks deal — get money back —
[redacted] No doubt Nir convinced US encour/acquiesced/agreed in 508 TOW shipment —
N didn't agree —
— from disc. w/ Bud.
— No reason to doubt Nir.
— Ask M about it — M said "I've always insisted we didn't trade arms for host."
Think Bud needs to think out disc. w/ RR + Israelis + This prob will go away.

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UNCLASSIFIED J 7186

21

② — Bud does not recall specif. author. shipmt of Hawks.
Nir satisfied N — US endorsed it.
M answer re: TOWs equivocal enuf so didn't disbelieve Nir.

→ Feb. shipmt did not produce hostages —
thus, not strict quid.
Cooper: expect hostages?

Replenishmt? When —.

M + Kimche conversations —:
— strong objections to Kimche to shipmts in chron. based on perception —.
— what doesn't square — is
RR → hostages
McF → strategic dialog.
Bud doesn't like perception.

WBR: Discussion of policy — vis Iran/embargo, etc.
— exception
— list of wants — we declined many & most.

• anti-X missile — is defensive.

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~~1 5925~~

UNCLASSIFIED J 7187 22

- 508 Tows linked to Weir : N: yes, from what I understand.
- 18 Hawks linked to any hostages — : don't know

→

Hawks return :
Israelis didn't want to give $ back. Iranians didn't want it — not what ordered.

Learned of it — :

★ US Air crew to move all cargo *we* ran — Feb '86 on forward — run w/ crew from Southern Air Transport in Miami Fla —
DOJ investigating of contra relations
paid by Israelis

Proprietary airline — stunt used to Iran earlier —
use them |7 508 TOWS (?) — [redacted] Cargo

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UNCLASSIFIED J 7189 ~~J 5927~~ 24

Nov: 85

McF. call N. in ofc —.
Call Rabine —
N called. Said problems — in midst of assisting you — deliveries to countries in Q — aside to Wash (Israeli gen'l)
Call M — problems in [redacted] — shipping something (N guess is arms)
Plus. Call Second to help.
Name of fellow in [redacted] — Israeli

Second call + ask if non-US, non-Isr. charter large cargo plane — Iran to Israel on false docs
→ N called Clarridge — name.
1st ~~contact~~ on Hawk episode ~~w/~~CIA — or any of this except for intell request.
Ask name of discrete airline in Eur.
[redacted]
Unspecified # flights.

In Israel, they want'd, per Second, to take more than 1 flight — N said no.
M doesn't recall conversation this time frame — he was under pressure — in papers re: affair.
N → Told M + Poin. about Seconds' rept

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J 7190

~~5928~~ 25

about what's really going on.

Copp is Secord — for telephone purposes. MG Adams is Secord too — w/ documentation.

* Claridge gave name of person in [redacted] to N → N to Secord → Secord to Israelis, who called + set up the airplane.

—

Thompson was with M at Geneva —
ck: Thompson logs ——
Thompson: Counsel + military aide to M + Poindexter (now).
M called someone in [redacted]
Q: Nature of urgency;
A: Israelis want'd it.
Did you think it oil equip —?
A: No thought it munitions
+ told M + P — they said go do it —
+ CIA not told — CIA told by N
of N suspicions — it was oil equip.

5⁰⁵ pm (JR out a minute)

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UNCLASSIFIED J 7191
~~J 5929~~ 26

— Though Israelis probly passing selves off as Americans.

[redacted]

Genesis of Chron —
on 15th — Poin. said do a history.
— went to files, talk to M, P, others.

— get it to RR ;
— still inconsistencies.

CIA) Second
expenses — CIA.
intemed.

Intell Exchng
began in Feb —

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27.

- To show Iran can't win, we gave some doctored intell.
- [redacted]

Who knew 508/Hawks

✓ M, RR, Thompson, Poin, Regan, VP

maybe → Casey

Shultz (M says told him everything)

If intg =

M says no foreknowl Hawks

Shultz to AG, M told Hawk

M → Shultz don't recall

M not tell P, N
(surprise in Jan

When M tell Shultz.

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UNCLASSIFIED ~~1 5931~~
1 7193 28

M foreknowledge — of plan agreed
to with Israel — not necess.
the Hawks.

Ck: on getting coop. of Israelis —
before anything public.

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J 7194 29

On trip to Iran in May, ~~5952~~

- M, Cave, Teicher, CIA commun, Nir
- Ami [redacted] , N.
(denied)

We never provided technicians

+ still want one

5^{55} Ollie out.

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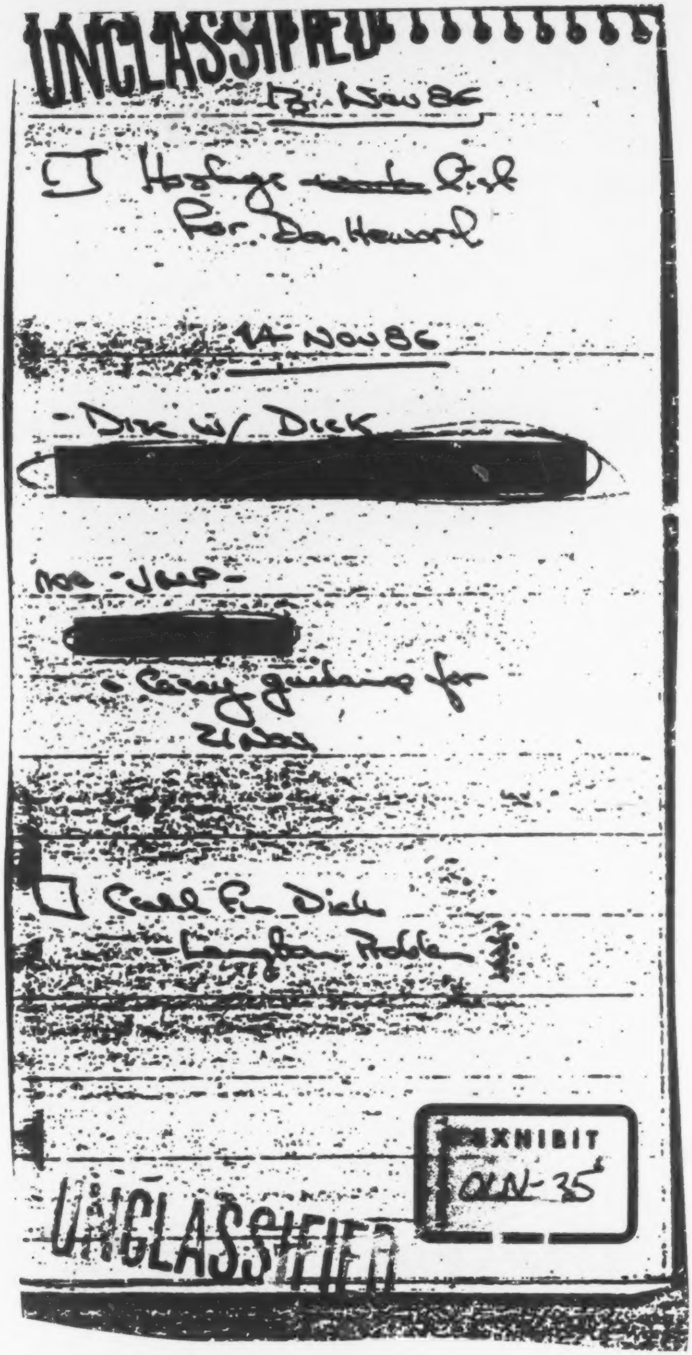
EXHIBIT OLN–35



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13 Nov 86

☐ Hostage ~~[illegible]~~ list for Dan Howard

14 Nov 86

- Disc w/ Dick [redacted]

NSC - JCS -

[redacted]

- Carey guidance for 21 Nov

☐ Call for Dick - Langton Problem

EXHIBIT OLN-35

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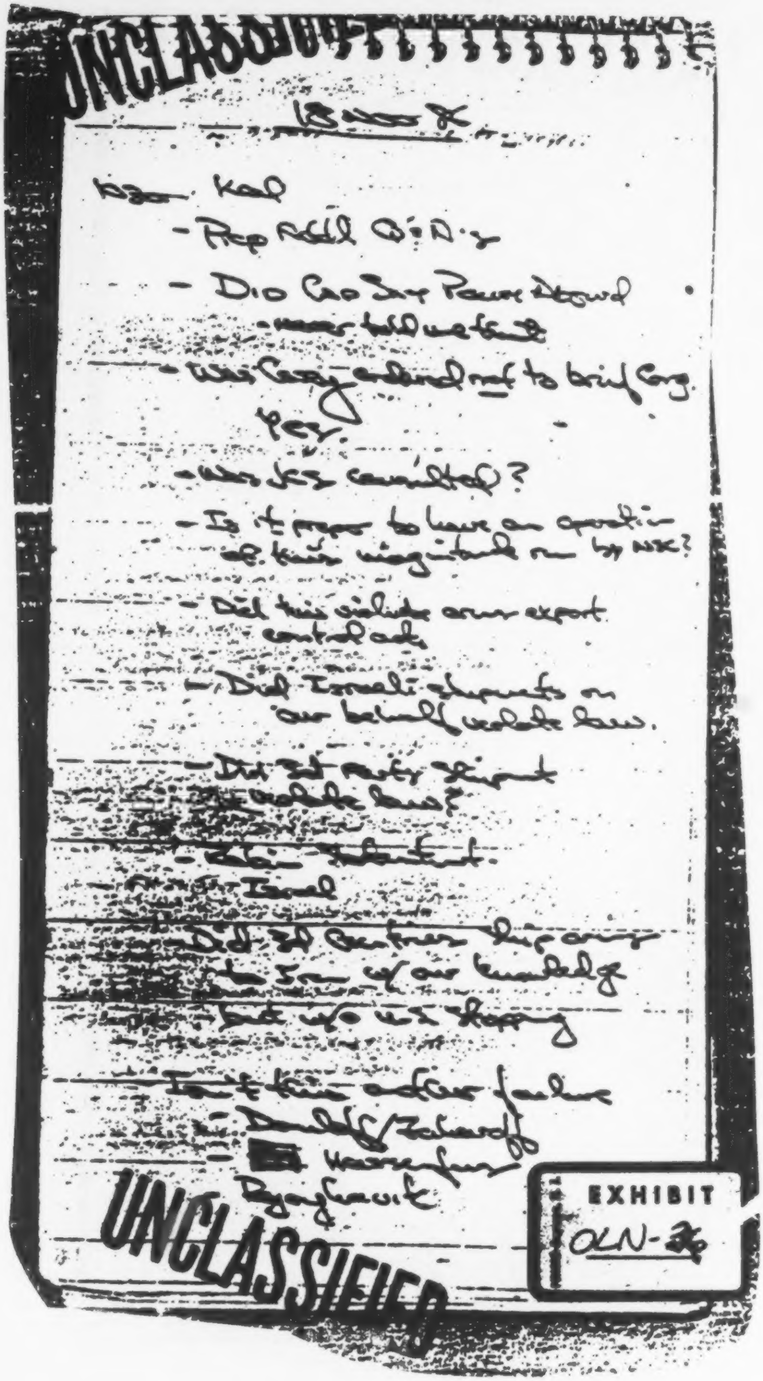
EXHIBIT OLN-36



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13 Nov 86

1230 Karl

- Prep addl Q's & A's
- Did CIA say Prez approved
  - never told us that
- Was Casey ordered not to brief Cong. yes.
- Was JCS consulted?
- Is it proper to have an operation of this magnitude run by NSC?
- Did this violate arms export control act
- Did Israeli shipments on our behalf violate law.
- Did 3d party shipment [illegible] violate law?
- [illegible] [illegible]
- [illegible] Israel
- Did 3d Countries ship arms to Iran w/ our knowledge
- But w/o us shipping
- Isn't this another failure
- Donaldson/Zakaroff
- [redacted] Hasenfus
  Brzezinski

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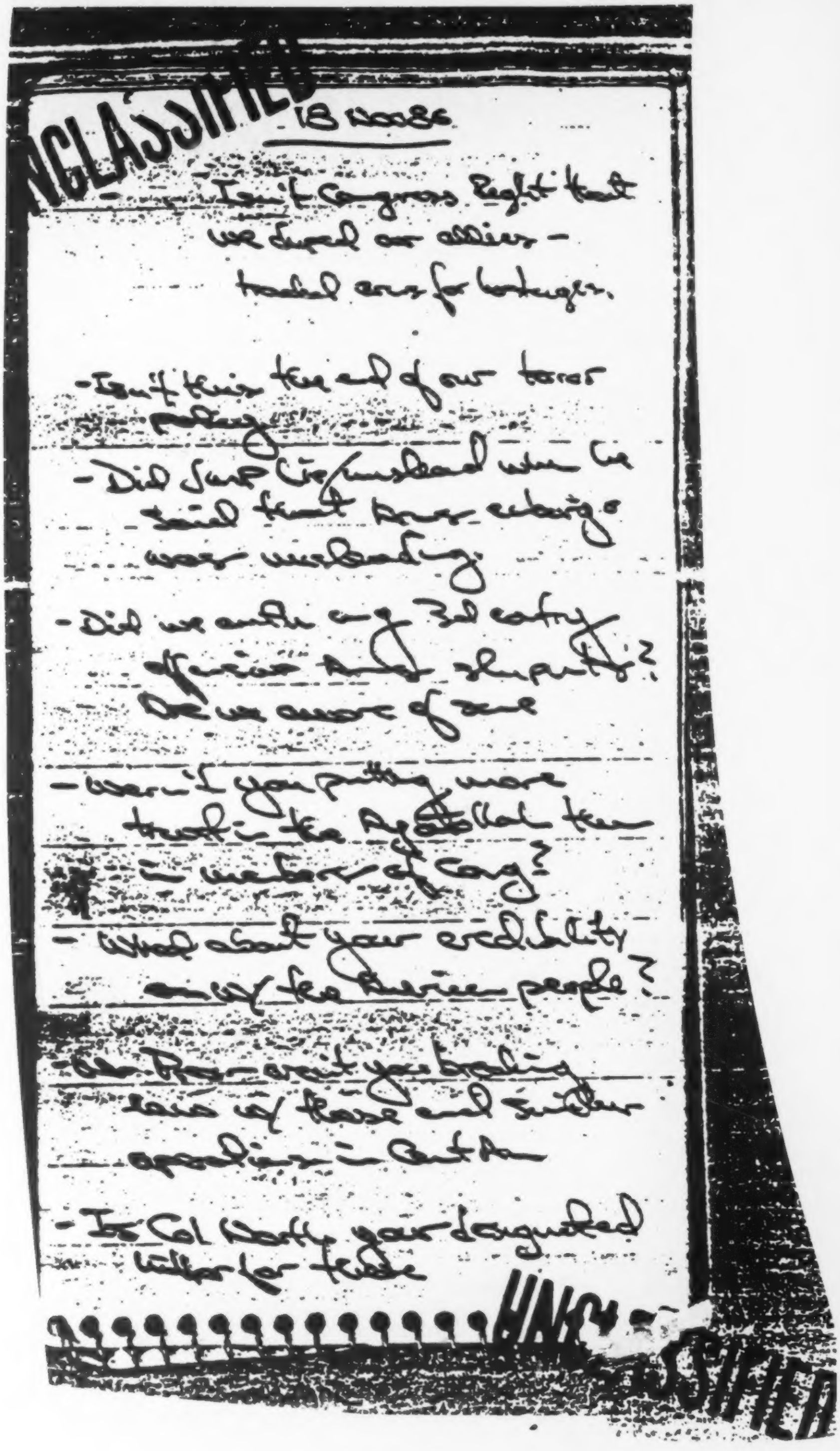
EXHIBIT
OLN-36



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18 Nov 86

- Isn't Congress right that we duped our allies — traded arms for hostages.

- Isn't this the end of our terror policy

- Did Sect lie/mislead when he said that arms embargo was working.

- Did we authorize any 3rd country offensive arms shipments? Are we aware of some

- Weren't you putting more trust in the Ayatollah than in members of Cong?

- What about your credibility among the American people?

- Mr. Pres — aren't you breaking laws w/ these and similar operations — Cent Am

- Is Col North your designated hitter for trade

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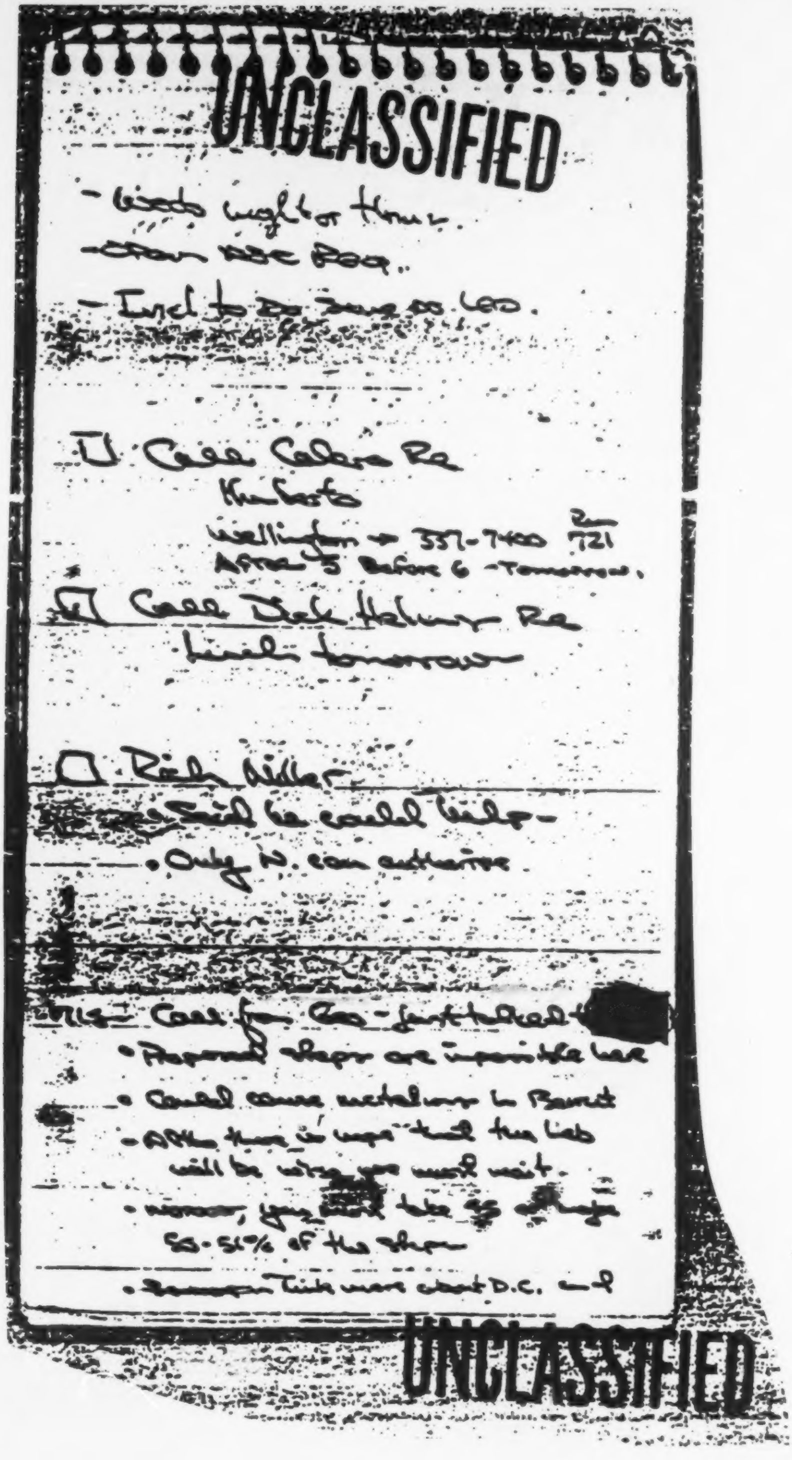

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- [illegible] night or three.
- Open NSC Bag..
- Incl to Do Done as LED.

☐ Call Calero re
Kimberlys
Wellington → 337-7400 Rm 721
After 5 Before 6 - Tomorrow.

☑ Call Dick Helms re
lunch tomorrow

☐ Rich Miller
Said he could help -
• Only N. can authorize

0715 - Call from Geo - just talked [redacted]
• Proposed steps are impossible but
• Could cause retaliation in Beirut
- Altho there is hope that the lab
will be wiped we must wait.
• However, you must take [illegible] charge
50-51% of the show
• [illegible] Tick more about D.C. and

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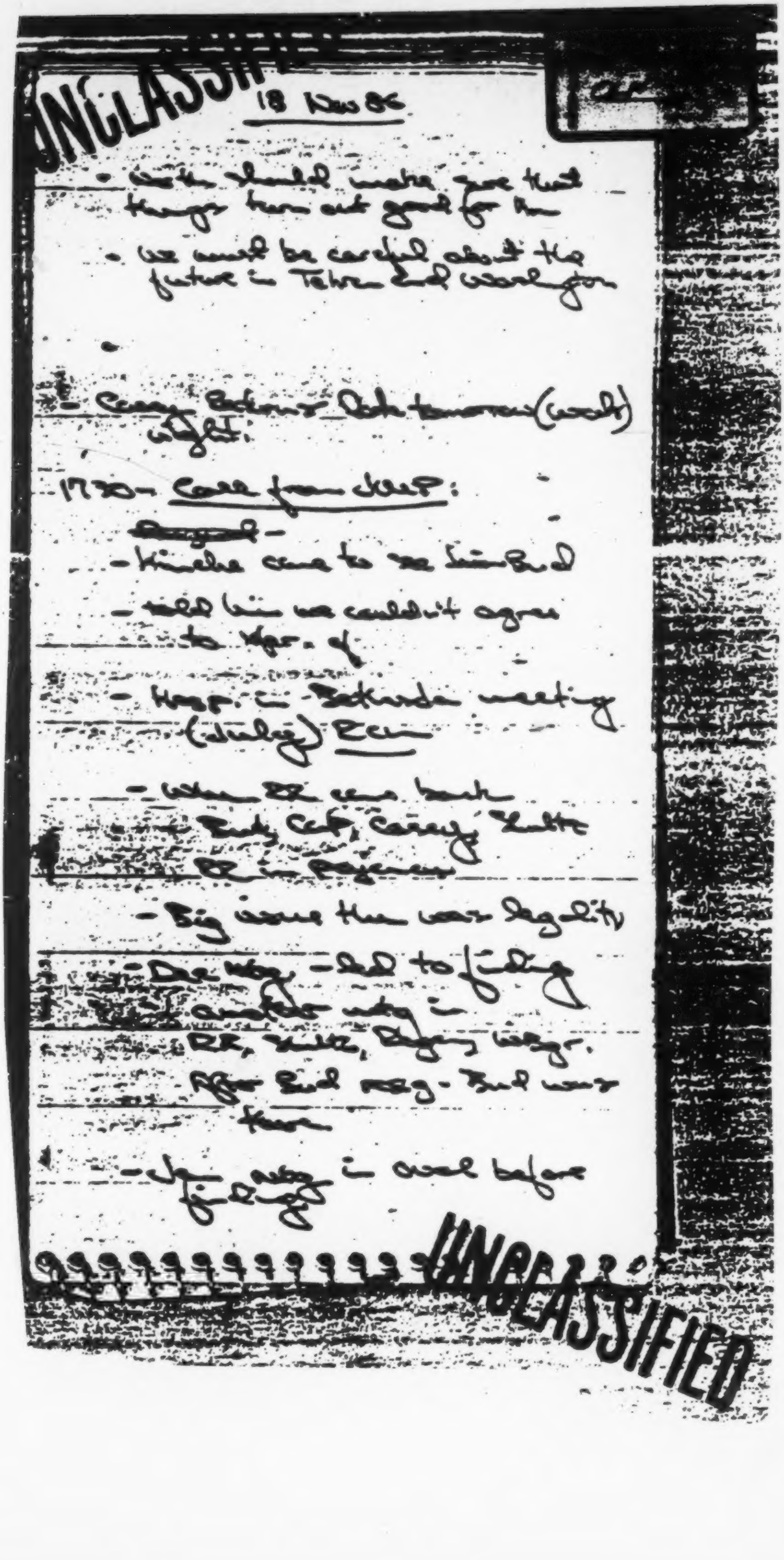
EXHIBIT OLN-37



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18 Nov 86

- North should make sure that things turn out good for him
- We must be careful about the future in Tehran and Washington

•

- Casey Briefings Sch tomorrow (wed) night.

1730 - Call from JMP:

~~[illegible]~~ -

- Kimche came to see him and
- told him we couldn't agree to Hwks. of
- Hosp. in Bethesda meeting (July) RCM
- When RR came back Bush, Cap, Casey, Shultz RR in Residence
- Big issue then was legality
- One way - led to finding another way in RR, Shultz, Regan [illegible].
  After 2nd mtg - Bud was there
- Jan mtg in oval before finding

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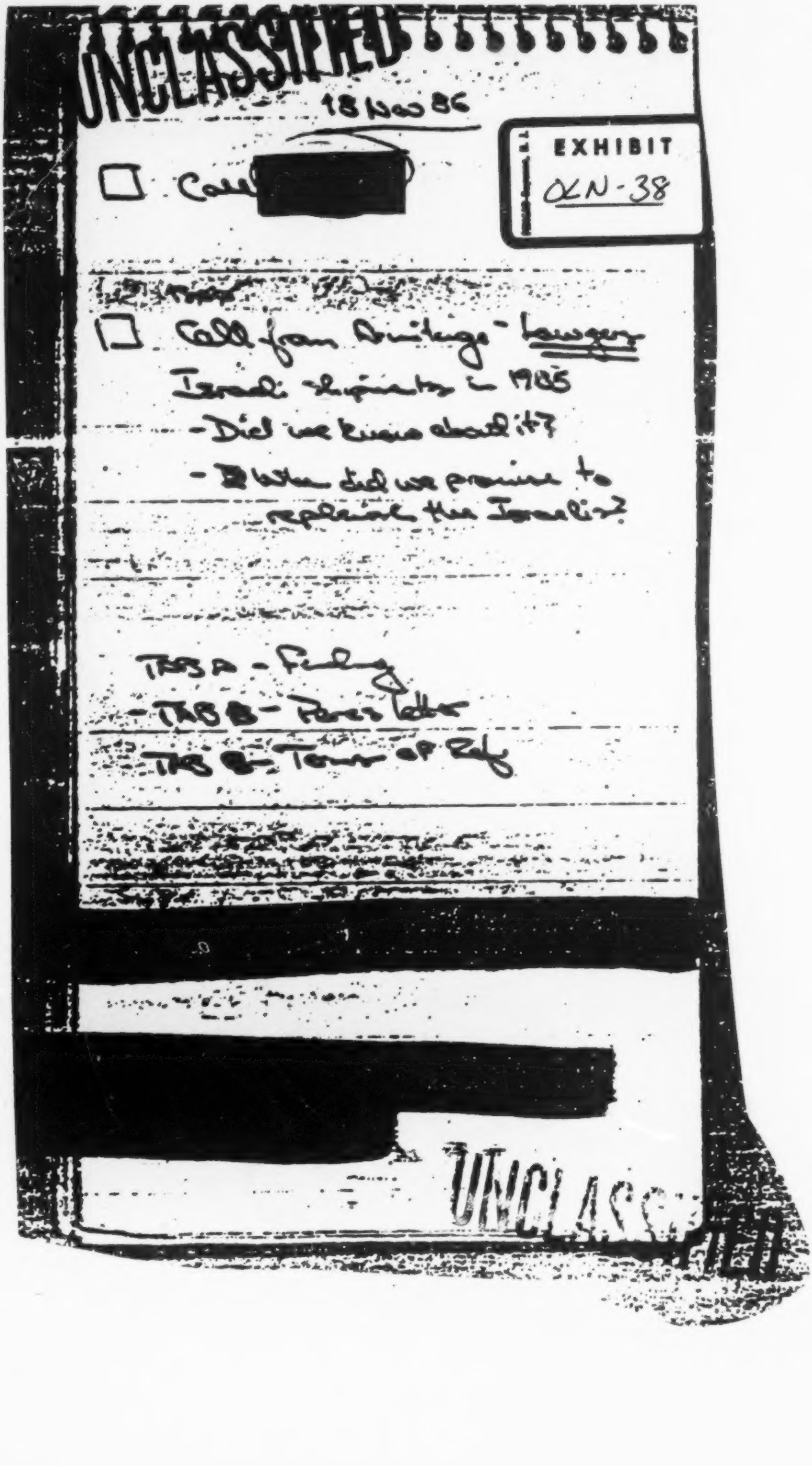
EXHIBIT OLN-38



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18 Nov 86

EXHIBIT
OLN-38

☐ Call [redacted]

☐ Call from Armitage - lawyers
Israeli shipments in 1985
- Did we know about it?
- When did we promise to replenish the Israelis?

TAB A - Finding
- TAB B - Peres letter
- TAB C - Terms of Ref

[redacted]

[redacted]

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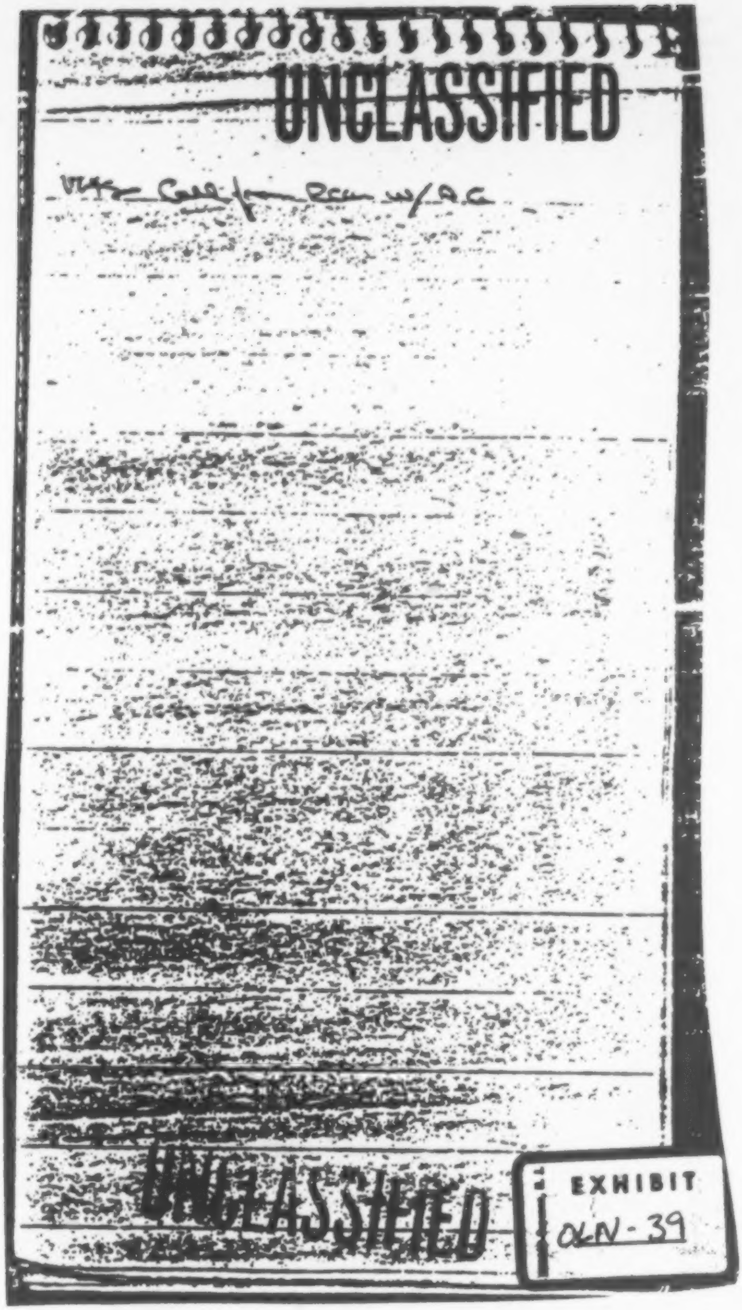
EXHIBIT OLN-39



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VP's — Call from Rcm w/A.G

[illegible]

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EXHIBIT

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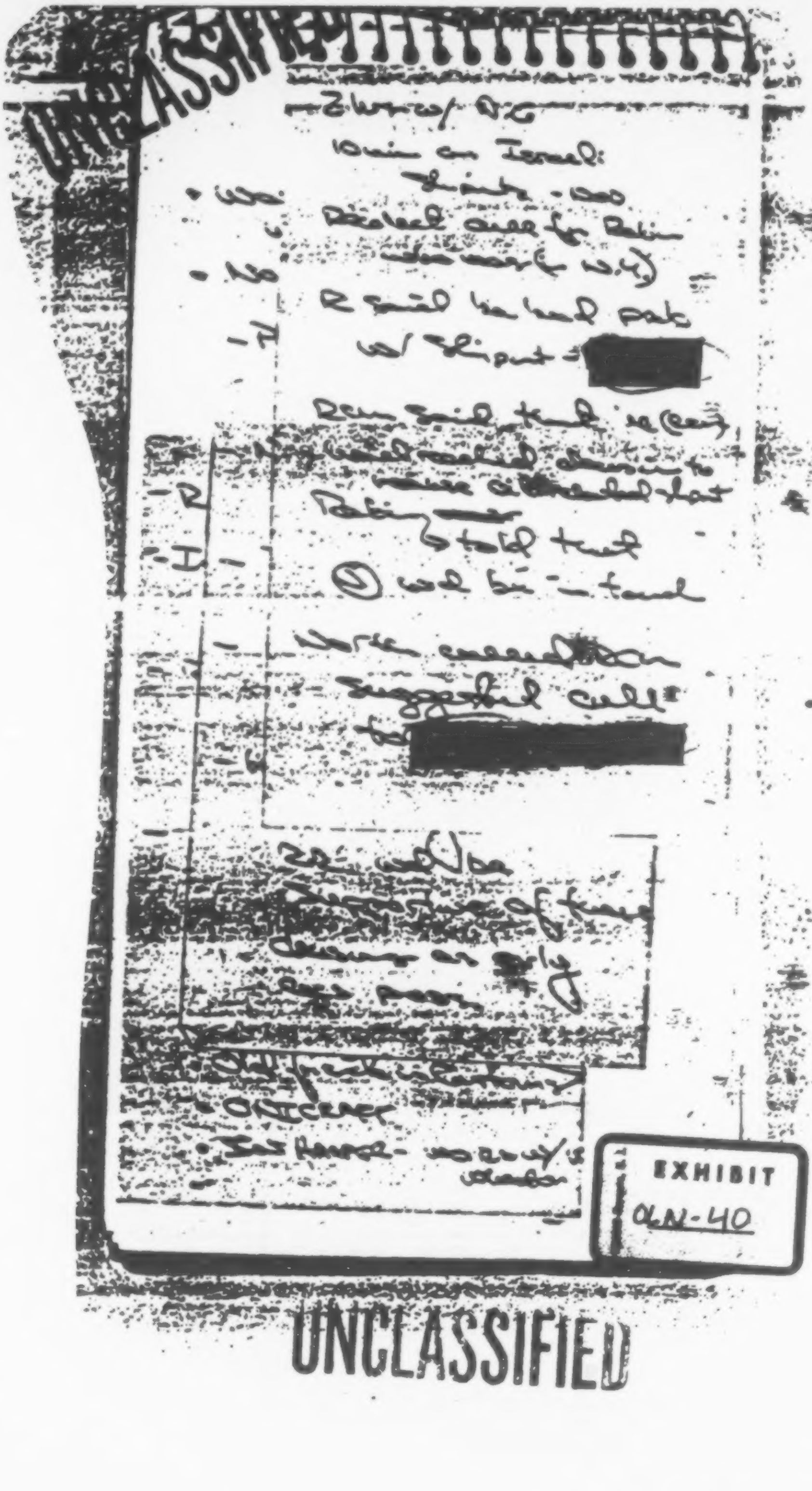
EXHIBIT OLN-40



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[illegible] w/ [illegible]

10 min on Israel:

[illegible] - [illegible]

[illegible] call for Rabin

[illegible] ([illegible])

R said he had [illegible]

w/ [illegible] - [redacted]

Rabin said thanks re ([illegible])

[illegible] decision to

[illegible]

Rabin [illegible]

told [illegible]

[illegible] will [illegible] - [illegible]

[illegible]

Suggested call

to [redacted]

[illegible]

[illegible]

- R
- I

EXHIBIT

OLN-40

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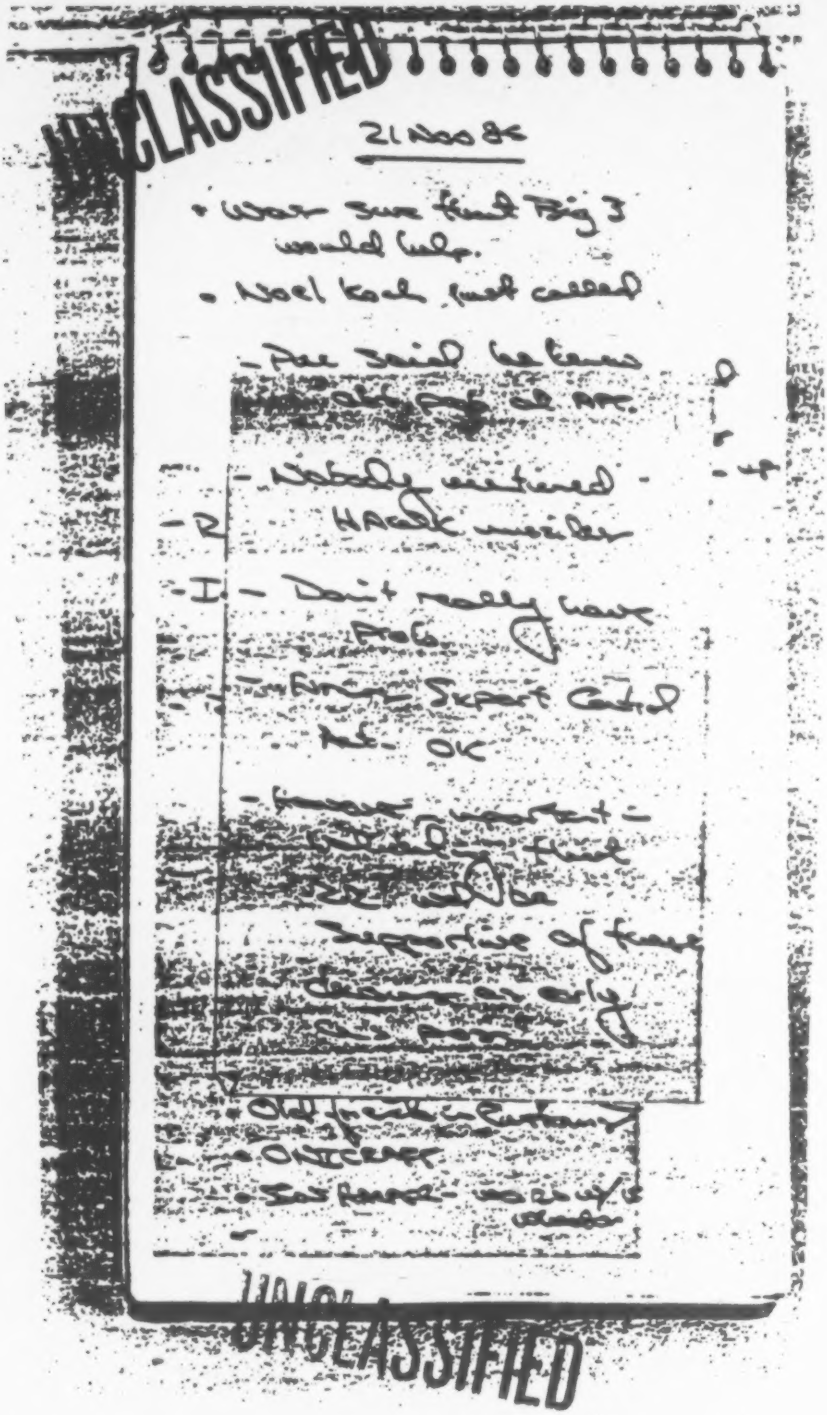

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21 Nov 86

- Was sure that Big 3 would help.
- Noel Koch just called
  - Pres said believes [illegible] of AF.
  - Nobody wanted – HAWK missiles
  - Don't really have prob.
  - ~~[illegible]~~ Export Control Act – OK
  - ~~[illegible]~~ important – [illegible] that [illegible] will be supportive of trans[illegible] [illegible] only [illegible]
- Old friends in Customs
- ONICRAFT
- Sec [illegible] – [illegible]

-R

-I

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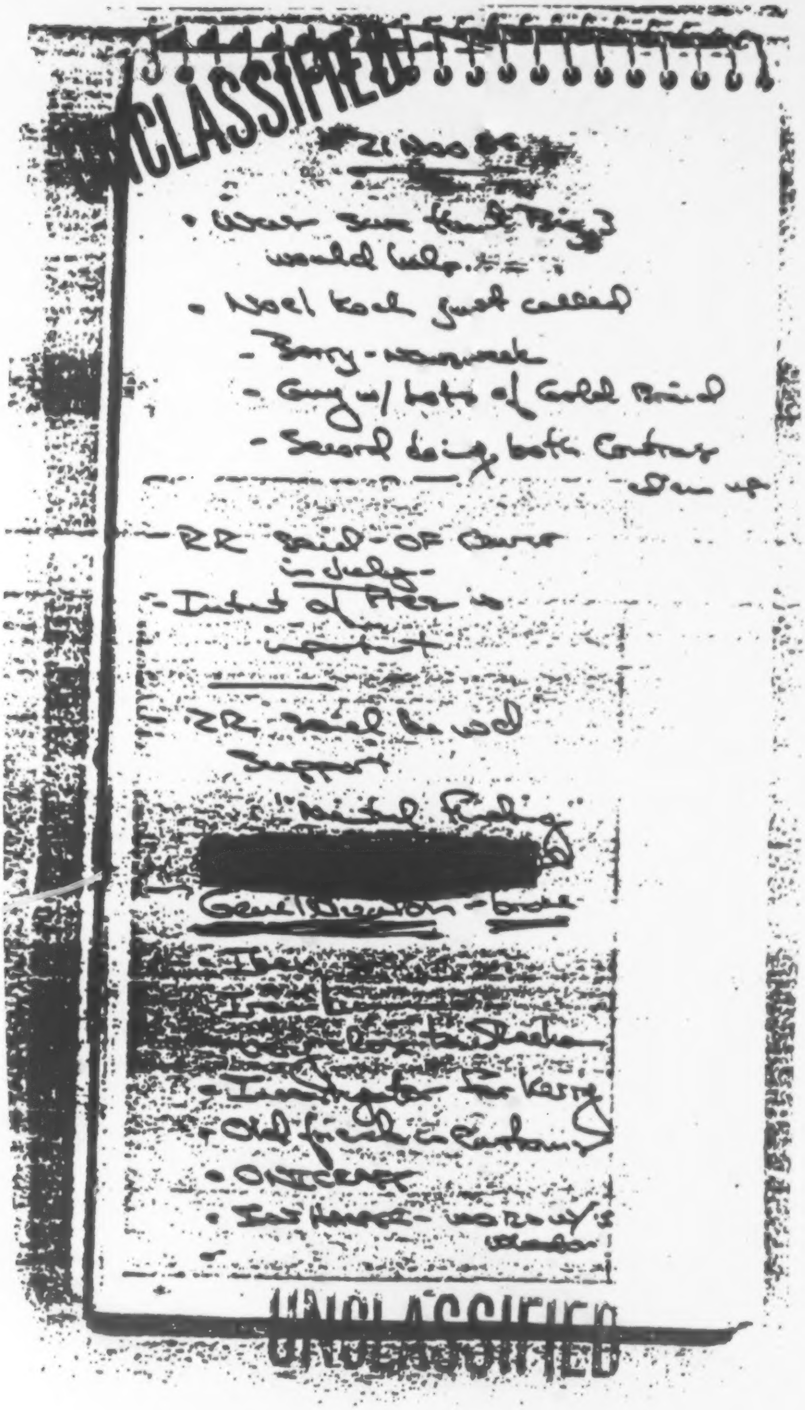

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21 Nov 86

- Weir [illegible] Big 3 would help.
- Noel Koch just called
  - Barry - Newsweek
  - Guy w/ lots of Gold Braid
  - Second doing both Contras clean up
- RR said - OF course in July -
- Intent of Pres is important
- RR said he would support
  - "Initial Finding"

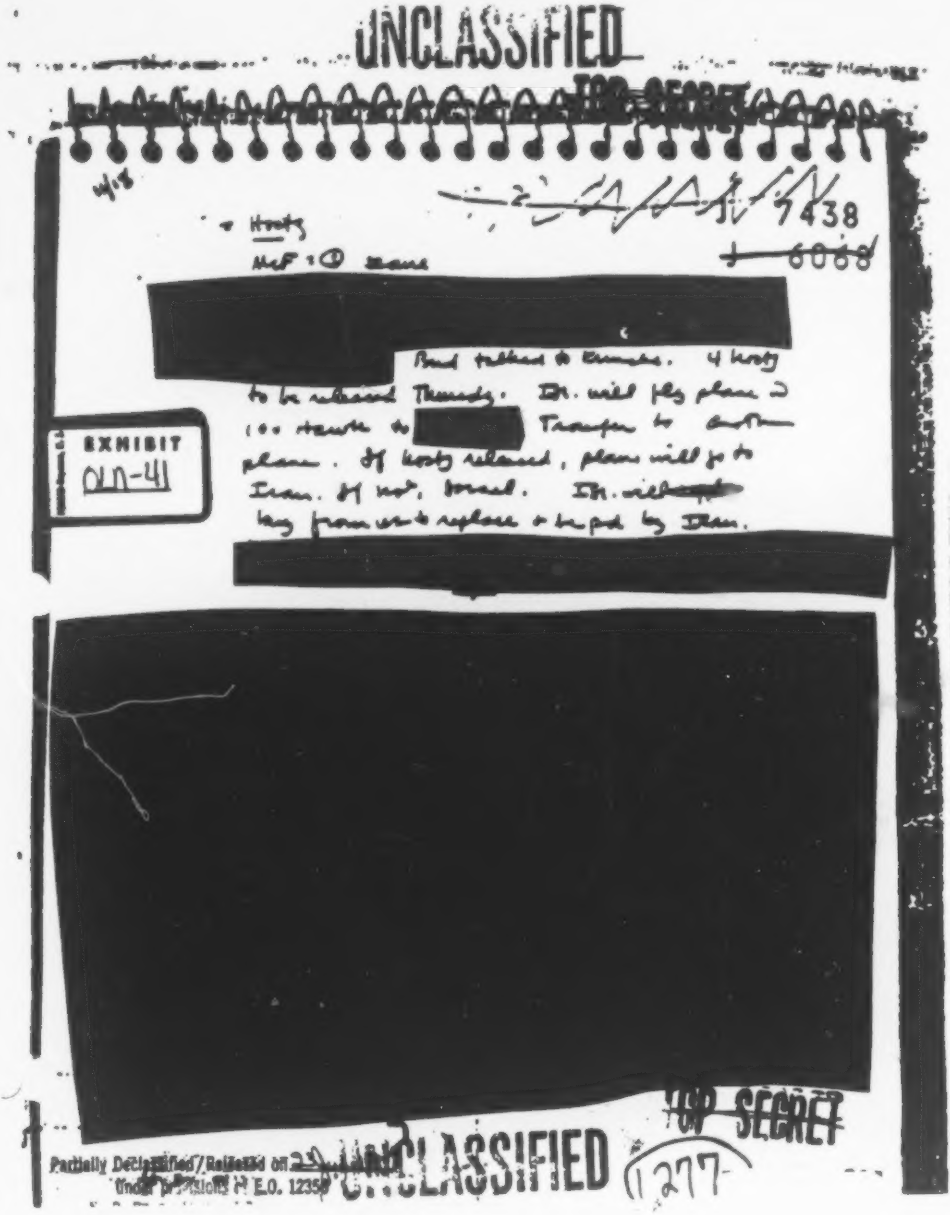
[redacted]

Genl Direction - broad

- [illegible]
- [illegible]
- [illegible]
- Investigator for Kerry
- Old friend in [illegible]
  - ONICRAFT
  - [illegible] - [illegible]
-

UNCLASSIFIED

EXHIBIT OLN-41



UNCLASSIFIED

~~TOP SECRET~~

11/18

7438

~~6068~~

• Hostg

McF: ① same

[redacted]

Bud talked to Kimche. 4 hostg to be released Thursdy. Is. will fly plane w/ 100 Hawks to [redacted] Transfer to another plane. If hostg released, plane will go to Iran. If not, Israel. Is. will buy from us to replace & be pd by Iran.

[redacted]

[redacted]

EXHIBIT OLN-41

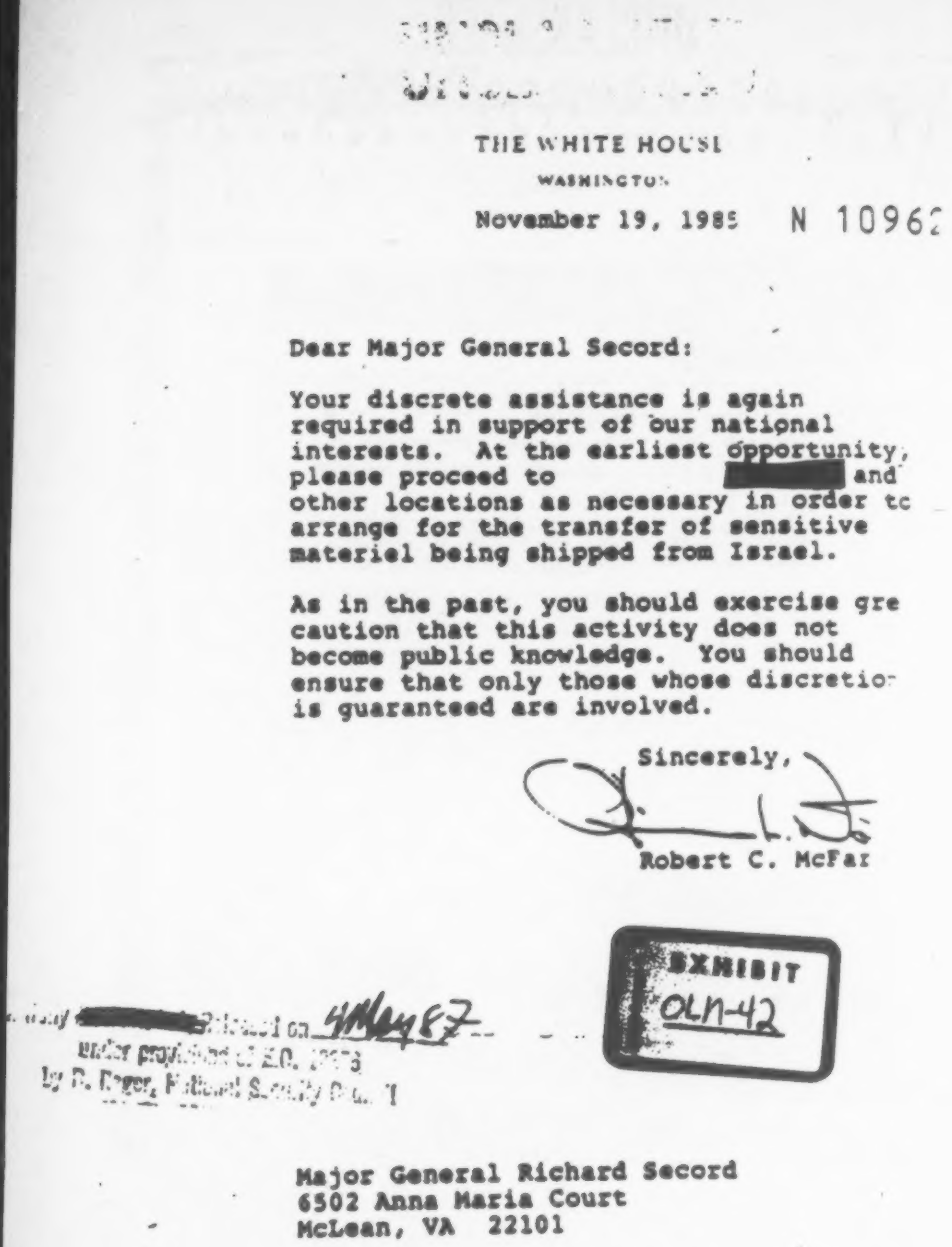
~~TOP SECRET~~

UNCLASSIFIED

Partially Declassified/Released on [illegible]
Under provisions of E.O. 12356

1277

EXHIBIT OLN-42



[illegible]

[illegible]

THE WHITE HOUSE
WASHINGTON

November 19, 1985 N 10962

Dear Major General Secord:

Your discrete assistance is again required in support of our national interests. At the earliest opportunity, please proceed to [redacted] and other locations as necessary in order tc arrange for the transfer of sensitive materiel being shipped from Israel.

As in the past, you should exercise gre caution that this activity does not become public knowledge. You should ensure that only those whose discretio is guaranteed are involved.

Sincerely,

Robert C. McFar

EXHIBIT
OLN-42

[illegible] [redacted] Released on 4May87
under provisions of E.O. [illegible]
by B. Reger, National Security Council

Major General Richard Secord
6502 Anna Maria Court
McLean, VA 22101

EXHIBIT OLN-43

OLN-43

FILE: TE [redacted] AD WHITE HOUSE COMMUNICATIONS AGENCY PAGE 018

[redacted] 201

[redacted]

[redacted]

NOTE [redacted]

[redacted]

MSG FROM: NSOLN --CPUA TO: NSJMP --CPUA 11/20/85 21:27:39
To: NSJMP --CPUA

*** Reply to note of 08/31/85 11:26

NOTE FROM: OLIVER NORTH
Subject: PRIVATE BLANK CHECK
Wrap Up as of 2030 EST.
The Israelis will deliver 80 Mod HAWKS [redacted] at noon on Friday 22 Nov.
These 80 will be loaded aboard three chartered aircraft, owned by a proprietary
which will take off at two hour intervals for Tabriz. The aircraft will
file for overflight through the [redacted] FIR enroute to Tabriz from [redacted].
Appropriate arrangements have been made with the proper [redacted] air control

personnel. Once the aircraft have been launched, their departure will be confirmed by [redacted] who will call [redacted] who will call [redacted] [redacted] who will direct [redacted] in Beirut to collect the five rpt five Amcits from Hizballah and deliver them to the U.S. Embassy. There is also the possibility that they will hand over the French hostage who is very ill.
There is a requirement for 40 additional weaps of the same nomenclature for a total requirement of 120. $10M in payment for the first 80 has been deposited in the appropriate account. No acft will land in Tabriz until the AMCITS have been delivered to the embassy. The Iranians have also asked to order additional items in the future and have been told that they will be considered after this activity has succeeded. All transfer arrangements have been made by Dick Secord, who deserves a medal for his extraordinary short notice efforts.

Replenishment arrangements are being made through the MOD purchasing office in NYC. There is, to say the least, considerable anxiety that we will somehow delay on their plan to purchase 120 of these weapons in the next few days. IAW your instructions I have told their agent that we will sell them 120 items at a price that they can meet. I have further told them that we will make no effort to move on their purchase LOA request until we have all five AMCITS safely delivered. In short, the pressure is on them.

Tomorrow we will dispatch a covert hostage debrief team to Wiesbaden, under cover of an exercise. [redacted] will be told to prepare a C-141 for four-hour alert to pick up any hostages who may be released over the weekend. All of the parties above will be told that we have info (from the same source which advised us of Weir's release) that some, if not all, AMCIT hostages will be turned over [redacted] between now and Sunday.

As soon as we have the release confirmed, we need to move quickly with Defense to provide the 120 missiles the Israelis want to buy. They are very concerned that they are degrading their defense capability, and in view of the Syrian shoot-down yesterday the PM has placed considerable pressure on both Rabin and Kimche for very prompt replacement. Both called several times today.

There is the distinct possibility that at the end of the week we will have five Americans home and the promise of no future hostage takings in exchange for selling the Israelis 120 Hawk missiles. Despite the difficulty of making all this fit inside a 96-hour window, it isn't that bad a deal -- [redacted] Warm regards.
Recommend pass to RCM after review. North.

J PRIVATE BLANK CHECK

MSG FROM: NSOLN --CPUA TO: NSJMP --CPUA 11/20/85 21:34:39
To: NSJMP --CPUA

y

*** Reply to note of 11/19/85 19:09

-- [redacted]

NOTE FROM: OLIVER NORTH
Subject: Central American Brief
This has been fixed. Charlie was not notified by the CIA legislative affairs d

EXHIBIT OLN-44

UNCLASSIFIED

[redacted]

POINT PAPER

Hawk Missiles for Iran

- Missiles are available right now, suitable for foreign sale. There are 164 missiles at Red River Arsenal - 77 intended for UAE and 87 for Korea. Seven of these are intended for tests, but the tests can be foregone.

- The missiles at Red River Arsenal cost $300,000 apiece. This is not necessarily a firm price, and replacements could cost as much as $437,700 apiece.

- Thus, the total bill for 120 missiles would be $36-52.5 million. To this, applicable charges would have to be added (NRC cost, administration charge, packing and transport charges, plus storage).

- The missiles for Korea and UAE would have to be replaced, so DSAA will need the money to replace them.

- The modalities for sale to Iran present formidable difficulties:

    -- Iran is not currently certified for sales, including indirectly as a third country, per Sec. 3 of the AECA.

    -- Congress must be notified of all sales of $14 million or more, whether it is a direct sale or indirect to a third country. The notice must be unclassified (except for some details), and the sale cannot take place until 30 days after the notice. The 30 days can be waived for direct sales, but the third country transfer has no such provision, and notice must still be given in any case.

    -- Thus, even if the missiles were laundered through Israel, Congress would have to be notified.

- It is conceivable that the sale could be broken into 3 or 4 packages, in order to evade Congressional notice.

    -- While there is no explicit injunction against splitting up such a sale (subject to check...), the spirit and the practice of the law is against that, and all Administrations have observed this scrupulously.

    -- It is conceivable that, upon satisfactory consultation with Chairmen Lugar and Fascell and their minority counterparts, they might agree to splitting the sale into smaller packages.

- The customer countries (UAE and Korea) would have to be told that their deliveries had been rescheduled, but we would not have to tell them why. We would not want to charge them more for later deliveries.

UNCLASSIFIED

The political drawbacks are equally formidable:

-- If Iraq ever found out, they would be greatly irritated. Their sources of supply are more readily accessible than Iran's, however, so there would be no effect in that respect.

-- Saudi Arabia and the other Gulf States would also be irritated and alarmed.

-- If Israel were used as the laundering country, they would be greatly encouraged to continue selling to Iran, and to expand their sales.

-- If the sale became known, all bars would be removed from sales by such countries as Spain, Portugal, Greece, UK, Italy, and FRG, countries who are only barely restrained from overt, large sales to Iran now.

-- In short, the risk is that of prolonging and intensifying the Iran-Iraq war, while seriously compromising US influence over Israel and other countries to restrain sales to Iran.

EXHIBIT OLN-45

5 May 1987

[redacted]O: NSJMP --CPUA 11/22/85 09:27:03

*** Reply to note of 08/31/85 13:26

— SECRET —

NOTE FROM: OLIVER NORTH
Subject: PRIVATE BLANK CHECK
Status Report as of 1730:

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N 12092

[redacted]

Second , and the Charge continue to seek clearance for A/C from Israel which can land and proceed. Despite the difficulties of the past 36 hours, all continue to believe that if DCM can get them to
that this can be done.

We continue to explore three options: --

-- Charter a new A/C to pick up the cargo in Tel Aviv (TA) and deliver it to for xfer to the three Chartered DC-8s for the flight to Tehran (T).

-- Fly the 3 chartered A/C direct to TA, p/u the cargo, fly to ( ) refile for T [illegible]

-- Fly the three chartered A/C directly to TA, load cargo, proceed directly to T w/o filing until airborne and in FIR.

All continue to believe (including [illegible]) that option one is only realistic solution. Other options compromise origins and risk eventual uncovering of many operational details. [illegible] urges that solution be found to [illegible] this weekend to prevent hostages [illegible] and [illegible] [illegible] them.

UPDATE AS OF 1630:

DCM contacted at 1730. has agreed to have A/C in TA land at , Dewey has arranged for a proprietary to work for Secord (Copp). Copp will charter two 707s in the name of [illegible] Company (Copp [illegible] Co.) and have them p/u the cargo and deliver it to . At the cargo will be xfered to the three Israeli chartered DC-8/55s for the flight to T. Though I am sure Copp suspects, he does not know that the 707s belong to a proprietary. Clarridge deserves a medal -- so does Copp.

Kimche (DMK) has been told how screwed up his people are in planning something like this on such short notice. Not only was the 747 they planned to use a national airlines A/C, but they only had it chartered for 96hrs. We have now taken charge of that phase of the operation and are making direct contact to ensure flight clearances for the three DC-8s chartered by DK's people. If all goes as we now hope, the cargo will be in by noon (local) and enroute to T shortly after dark. That means we can expect hostages (hopefully) Saturday night.

UPDATE AS OF 1900:

Unbelievable as it may seem, I have just talked to Schwimmer, in TA who advises that they have released their DC-8s in spite of my call to DK instructing that they be put on hold until we could iron out the clearance problem in ( ). Schwimmer released them to save $ and now does not think that they can be re-chartered before Sunday.

5 May 1987

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N 12093

PROF. [illegible] [redacted] AT WHITE HOUSE COMMUNICATIONS AGENCY PAGE [illegible]

[illegible] [illegible] [illegible]
Advised Copp of loss of p/o a/c. [illegible] has advised that we can use one of our L100 [illegible] a/c which can [illegible]. [illegible] p/o a load of ammo for UNO. We will have the a/c completed tonight and put into service all [illegible] [illegible] so that we can at least get this thing moving. [illegible] I have never seen anything so screwed up in my life. Will meet w/ Calero tonite to advise that the ammo will be several days late in arriving. Too bad, this was to be our first direct flight to the resistance field at [redacted] inside Nicaragua. The ammo was already palletized w/ parachutes attached. Maybe we can do it as [illegible] as [illegible].
[illegible] as it becomes available. One hell of an operation.
[illegible] [illegible] [illegible]

[redacted]

[redacted] [illegible] --[illegible] [illegible] [illegible] ***

[redacted]

3 May 1987

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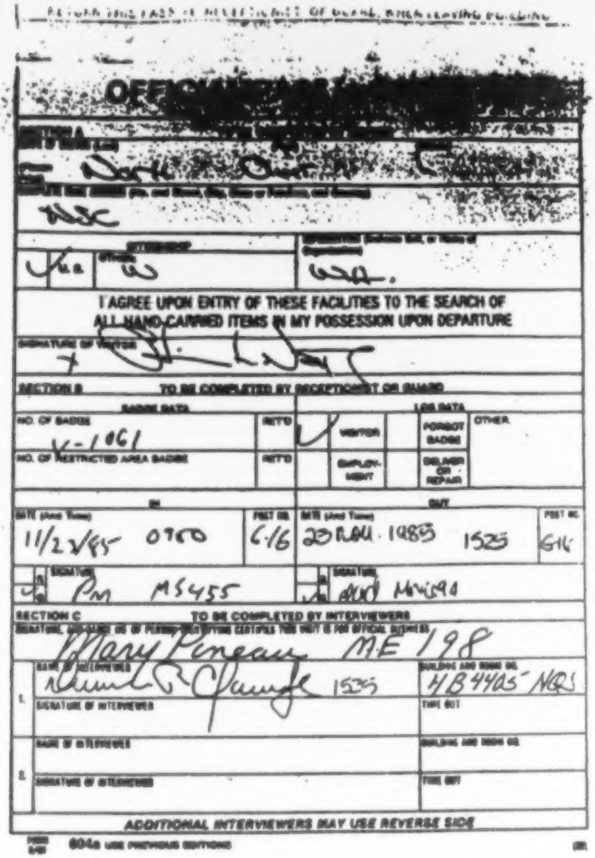
Exhibit OLN–46



RETURN THIS PASS TO RECEPTIONIST OR GUARD WHEN LEAVING BUILDING

OFF[illegible]

SECTION A

NSC

CITIZENSHIP		REPRESENTING (Indicate Self, or Name of Organization)
✓ U.S.	OTHER	USA.

I AGREE UPON ENTRY OF THESE FACILITIES TO THE SEARCH OF ALL HAND-CARRIED ITEMS IN MY POSSESSION UPON DEPARTURE

SIGNATURE OF VISITOR
X

SECTION B TO BE COMPLETED BY RECEPTIONIST OR GUARD

BADGE DATA		LOG DATA				
NO. OF BADGE V-1061	RET'D	✓	VISITOR		FORGOT BADGE	OTHER
NO. OF RESTRICTED AREA BADGE	RET'D		EMPLOY-MENT		DELIVER OR REPAIR	

IN		OUT	
DATE (And Time) 11/23/85 0950	POST NO. 6-16	DATE (And Time) 23 NOV. 1985 1525	POST NO. G16
SIGNATURE PM MS455		SIGNATURE MM94	

SECTION C TO BE COMPLETED BY INTERVIEWERS

SIGNATURE, AND BADGE NO. OF PERSON WHOSE SIGNATURE CERTIFIES THIS VISIT IS FOR OFFICIAL BUSINESS
Mary Pineau ME 198

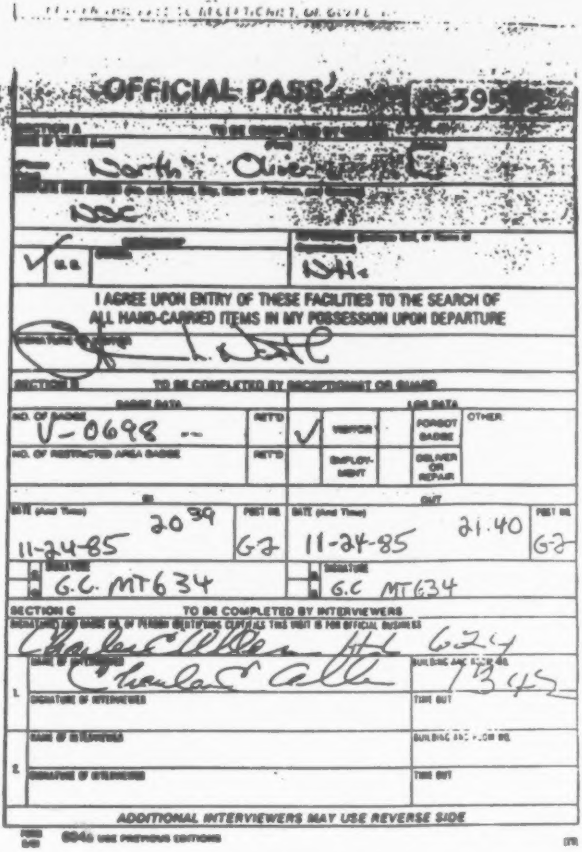
1.	NAME OF INTERVIEWER 1535	BUILDING AND ROOM NO. 4B4405 NQS
	SIGNATURE OF INTERVIEWER	TIME OUT
2.	NAME OF INTERVIEWER	BUILDING AND ROOM NO.
	SIGNATURE OF INTERVIEWER	TIME OUT

ADDITIONAL INTERVIEWERS MAY USE REVERSE SIDE

DD FORM 804a USE PREVIOUS EDITIONS

EXHIBIT
OLN-46

CIIN#10



OFFICIAL PASS 2395

SECTION A — TO BE COMPLETED BY [illegible]

North Oliver

NSC

✓	U.S.		WH.

I AGREE UPON ENTRY OF THESE FACILITIES TO THE SEARCH OF ALL HAND-CARRIED ITEMS IN MY POSSESSION UPON DEPARTURE

SECTION B — TO BE COMPLETED BY RECEPTIONIST OR GUARD

BADGE DATA		LOG DATA				
NO. OF BADGE V-0698 --	RET'D	✓	VISITOR		FORGOT BADGE	OTHER
NO. OF RESTRICTED AREA BADGE	RET'D		EMPLOYMENT		DELIVER OR REPAIR	

IN		OUT	
DATE (And Time) 11-24-85 2039	POST NO. G2	DATE (And Time) 11-24-85 21.40	POST NO. G2
SIGNATURE G.C. MT634		SIGNATURE G.C MT634	

SECTION C — TO BE COMPLETED BY INTERVIEWERS

SIGNATURE AND BADGE NO. OF PERSON CERTIFYING THIS VISIT IS FOR OFFICIAL BUSINESS: Charles E Allen 624

1.	NAME OF INTERVIEWEE Charles E Allen	BUILDING AND ROOM NO. 7345
	SIGNATURE OF INTERVIEWER	TIME OUT
2.	NAME OF INTERVIEWEE	BUILDING AND ROOM NO.
	SIGNATURE OF INTERVIEWER	TIME OUT

ADDITIONAL INTERVIEWERS MAY USE REVERSE SIDE

FORM 604a USE PREVIOUS EDITIONS

CIIN #11

EXHIBIT OLN-47

The Director of Central Intelligence

Washington D.C. 20505

86-4068M-1

UNCLASSIFIED

26 November 1985

1 0400

MEMORANDUM FOR: Vice Admiral John M. Poindexter, USN
Deputy Assistant to the President
for National Security Affairs

SUBJECT: Presidential Finding on Middle East

Pursuant to our conversation this should go to the President for his signature and should not be passed around in any hands below our level.

WJCasey
William J. Casey

Attachment:
As stated

CL BY 0008074
RVW OADR

[redacted]

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Partially Declassified/Released on 7 May 1987
under provisions of E.O. 12356
by [illegible], National Security Council

EXHIBIT
OLN-47

UNCLASSIFIED

Finding Pursuant to Section 662 of the Foreign Assistance Act of 1961, As Amended, Concerning Operations Undertaken by the Central Intelligence Agency in Foreign Countries, Other Than Those Intended Solely for the Purpose of Intelligence Collection

0401

I have been briefed on the efforts being made by private parties to obtain the release of Americans held hostage in the Middle East, and hereby find that the following operations in foreign countries (including all support necessary to such operations) are important to the national security of the United States. Because of the extreme sensitivity of these operations, in the exercise of the President's constitutional authorities, I direct the Director of Central Intelligence not to brief the Congress of the United States, as provided for in Section 501 of the National Security Act of 1947, as amended, until such time as I may direct otherwise.

SCOPE	DESCRIPTION
Hostage Rescue - Middle East	The provision of assistance by the Central Intelligence Agency to private parties in their attempt to obtain the release of Americans held hostage in the Middle East. Such assistance is to include the provision of transportation, communications, and other necessary support. As part of these efforts certain foreign materiel and munitions may be provided to the Government of Iran which is taking steps to facilitate the release of the American hostages. All prior actions taken by U.S. Government officials in furtherance of this effort are hereby ratified.

The White House
Washington, D.C.

Date:

7 May 1987

[redacted]

ER [illegible]
CY____OF____CYS

EXHIBIT OLN-48

FILE: NOTE [redacted]A0 WHITE HOUSE COMMUNICATIONS AGENCY PAGE 025

FINALLY, IF MY READING OF THE TEA LEAVES IS RIGHT, A QUICK TRIP TO CENTAM (INCLUDING A VERY BRIEF STOP IN EL SALVADOR - 3hrs) WOULD HAVE POSITIVE BENEFITS BOTH HERE IN THE STATES AND DOWN THERE SHORTLY AFTER YOU ARE CONFIRMED/ANNOUNCED, PLS ADVISE.
PRIVATE BLANK CHECK

NSC FROM: NSOLN --CPUA TO: NSJMP --CPUA 12/04/85 02:02:55
To: NSJMP --CPUA

*** Reply to note of 08/31/85 13:26

-- ~~SECRET~~ --

NOTE FROM: OLIVER NORTH
Subject: PRIVATE BLANK CHECK
Subject: Current Status of Operation Recovery: Following summary is based on discussions in Geneva among Kimche, Copp, Gorbanifahr and which were concluded this weekend, subsequent discussions with [illegible] here in Washington which are continuing, and calls btwn Copp and Kimche's agent (Nimrodi) who is "baby sitting" the Iranians in Paris (where they are are receiving guidance from Tehran).

The attempted transfer of 18 Hawk missiles went awry because the Iranians were in fact seeking a weapons system that could be capable of stopping Soviet reconnaissance flights along the Iranian/Soviet border and on the Iranian/Iraqi border. Gorba said that these flights occur regularly and as deep as 90km inside Iranian airspace. Because Schwimmer and Ledeen were unfamiliar with the operational parameters of the HAWK, they agreed to ship 120 weapons that were totally inadequate to meet the specs established by the Iranians. This delivery has created an atmosphere of extraordinary distrust on the part of the Iranians; in Kimche's view, because the credibility of the Gorba mission has probably been seriously called into question.

Despite this perception (Gorba said numerous times that this whole thing was a "cheating game" on the part of the Israelis), Copp & Kimche have been able to proceed with a renewed dialogue which still promises hope for achieving our three objectives:
-- support for a pragmatic - army oriented faction which could take over in a change of government
-- return of the five AMCIT hostages
-- no more terrorism directed against U.S. personnel or interests.

From these ongoing discussions, which in two cases included Iranian military officers, Copp and Kimche conclude that the military situation in Iran is desperate. The Iranian descriptions of the state of their equipment, lack of competent management, inability to use much of the remaining U.S. materiel portends the real possibility of a military collapse (at least by the Army) in the near to mid-term. Thus, there is considerable pressure on the interlocutors in Europe to produce - quickly.

Given the relatively low level of competence on the part of the Iranians in Europe, and the fact that any supplies delivered will undoubtedly have to be examined by an Army or Air Force officer, it is very doubtful that a "single transaction" arrangement can be worked out with the parties in Tehran, no matter what is agreed to in Europe. In short, they have been

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EXHIBIT
OLN-48

"assessed" on many times in the past that the attitude of distrust is very high on their part. At the same time, in all discussions (including today's phone calls) they are desperate to conclude some kind of arrangement in the next 10 days and have even asked that the meeting scheduled for Saturday in London be advanced. Based on what we can conclude from intelligence in Beirut, we believe that they are very concerned that the hostages (the only Iranian leverage point besides the Jews in Iran) may be killed or captured/released by the Syrians, Druze, Phalange or Amal in the near future. Waite's contacts with the captors seems to corroborate this assessment. In short, time is very short for all parties concerned.

Finally, there is the matter of the longer term strategy for what we should be attempting to accomplish vis a vis the Iran-Iraq war and a more reasonable government in Iran. From my personal discussions with Kimche and Meron it is apparent the the Israelis want: the war to continue at a stalemate, a more moderate Iranian government in the end and will somehow find a way to continue getting their people (Jews) out of Iran through some kind of barter arrangement. In that the first two of their goals are, it would seem, generally congruent w/ our interests, and their last a fact of life, we should probably be seeing the return of the AMCIT hostages as a subsidiary benefit -- not the primary objective, though it may be a part of the necessary first steps in achieving the broader objectives. While Kimche, Meron, Copp and I all agree that there is a high degree of risk in pursuing the course we have started, we are now so far down the road that stopping what has been started could have even more serious repercussions. We all view the next steps as "confidence building" on the part of both sides. None of us have any illusions about the cast of characters we are dealing with on the other side. They are a primitive, unsophisticated group who are extraordinarily distrustful of the West in general and the Israelis/U.S. in particular. They have not the slightest idea of what is going on in our government or how our system works. Today for example, Gorba called Copp in absolute confusion over the fact that Rafsanjani had just received a letter from (of all people) Sen. Helms regarding the American Hostages. Since the Iranians are adamant that they not be publicly connected with the seizure, holding or release of the AMCITs, why, Gorba wanted to know, was Helms being brought into this "solution to the puzzle." Gorba reiterated that "Reagan ought to have more control over the members of his parliament" than to allow them to confuse an already difficult problem. Dick told him the letter had nothing to do with what we are about, but Gorba did not seem convinced that this wasn't some sort of effort to embarrass Iran.
Given this very unsophisticated view of things on their part and the distrust that the Iranians obviously feel, we believe that if we stop the current effort at this point and do not at least proceed with a "test" of the current relationship we:
-- run the risk of never being able to establish a "foothold" for the longer term goals in that the people we are dealing with will be totally discredited at home; and
-- incur the greater likelihood of reprisals against us for "leading them on." These reprisals could take the form of additional hostage seizures, execution of some/all of those now held, or both.

While the threat to carry out sanctions against us has not, to my knowledge, ever arisen (it certainly has not since Kimche/Copp/North have been directly engaged -- and Michael never mentioned it), it is interesting to note

[redacted]

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5 May 1987

N 12097

that when Copp questioned the bona fides of Gorba and his cohorts as capable of delivering on their end of the arrangement, Gorba carefully noted that since these discussions began w/ Michael & Schwimmer, there has not been a single Islamic Jihad bomb threat, hijacking or kidnapping -- and that there would be none if this "worked." O.K., Copp and I regard this to be at least one sign of confidence that this activity may yet prosper. There are some lesser indications of confidence in recent days:

-- in response to Copp's demand for funds to be deposited in advance to defray operational costs, and what the Iranians were told were "purchases on the arms market" a total of $41M has been deposited;
-- the 18 HAWKs delivered last week have been repackaged and are ready for return to origin on the next available flight;
-- the parties in Europe continue to stress that their requirements are long-term and that they are anxious to get on with a longer range program of Israeli originated support which would include technical assistance w/ sophisticated hardware which is critically needed but deadlined (in this regard Gorba at one point noted that at times they have as few as 50 operational tanks and less than a dozen flyable aircraft).

With all of the above as a lengthy preamble describing two nearly frantic weeks w/ the Israelis & Iranians, the following proposal has evolved which the Iranians today said they wd like to discuss in detail on Saturday:

-- The total "package" from the Israelis wd consist of 50 I HAWKs w/ PIP (product improvement package) and 3300 basic TOWs.
-- Deliveries wd commence on or about 12 December as follows:

H-hr:	1 707 w/300 TOWs = 1 AMCIT
H+10hrs:	1 707 (same A/C) w/300 TOWs = 1 AMCIT
H+16hrs:	1 707 w/50 HAWKs & 400 TOWs = 2 AMCITs
H+20hrs:	1 707 w/300 TOWs = 1 AMCIT
H+24hrs:	1 707 w/2000 TOWs = French Hostage

All involved on our side recognize that this does not meet one of the basic criteria established at the opening of this venture: a single transaction which wd be preceded by a release of the hostages. However, given the points above regarding the mutual distrust in the dialogue, we all believe it is about the only way we can get the overall process moving. Measures have been taken to reduce the chance for duplicity on the part of the Iranians and to promote a measure of OPSEC in carrying out the transaction. In the case of a double cross, one of the Iranians will be in the hands of assets we control throughout. One of them has already suffered a serious (though apparently not fatal) heart attack after last week's HAWK transaction failed to produce results. The first two deliveries, via 707 freighters are relatively small and if they do not produce the desired outcome, all else stops. All 5 are now under our control.

OpSEC concerns are threefold: communications, deliveries enroute to Iran and replenishment of the Israeli stocks. To solve the first problem an OPs Code is now in use by all parties. This code is similar to the one used to oversee deliveries to the Nicaraguan Resistance and has never been compromised. The delivery/flight planning security problem has been solved by a much more deliberate selection of aircraft and aircrews

5 may 1987

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as well as a series of transient airfields which can be used enroute to the

field controlled by the Iranian Army at Tabriz. Appropriate arrangements have also been made to ensure that the overflight o[redacted]is not challenged. All A/C will be inspected by one of the Iranians at a transient location between Tel Aviv and Tabriz. Before the A/C actually crosses into Iranian airspace, the appropriate release(s) must occur. The last OPSEC concern, that of replenishing Israeli stocks, is probably the most delicate issue. The quantity of TOWs requested represents Secord and I are working w/ the Israeli purchasing office in NYC to ensure that the replenishment can be accomplished quickly after December 12 as possible. All recognize that quantities degrade Israeli readiness and that the items will need to be dispatched quickly in order to preclude disaffection and leaks. Secord has solved at least one of the problems in this regard by identifying a means of transferring the required cash to an IDF account which will allow cash (rather than FMS credit) purchases from the U.S.

In order to put this plan into action, Kimche, Copp, Schwimmer and Goode plan to meet in London on Saturday morning to review all arrangements. If we are satisfied that all our assets (money, aircraft, aircrews, transit facilities, overflight arrangements and military equipment) are prepared, Copp and Kimche will meet at another hotel with Gorba and to finalize the plan. Our side will then reconvene later in the evening at our hotel to review any last minute changes. I wd then call you (using the ops code), transmit the agreed upon arrangements for approval and, if you concur, Kimche & Copp will meet again w/ the Iranians on Sunday a.m. to express our agreement with the plan. Copp & Goode wd return to the U.S. Sunday p.m. on separate flights. On the 11th, the day before the plan is to be executed, Copp will establish a CP in at the controlled airfield where he can monitor implementation and stop it at any point we desire. The secondary fields will be covered by Copp controlled assets who are not witting of the (the origin, destination or contents of the A/C but who can "fix" things in a hurry if something goes wrong. One of our other people will be in contact in throughout.

[redacted]

Once in hand, the hostages will be flown to Larnaca on our Navy CH-53 where they will be picked up by a EUCOM C-141 and flown to Wiesbaden for debriefing. When later Oakley will proceed from Andrews AFB to Wiesbaden with family members -- thus allowing us 24 uninterrupted hours for debriefing. The debrief team will be staged at Wiesbaden 12 hours in advance, just as we did two weeks ago without notoriety. Dewey is the only other person fully witting of this entire plan. Copp is not briefed on [redacted] though he suspects. The Israelis are in the same position. y and I have been through the whole concept twice looking for holes and can find little that can be done to improve it given the "trust factor" with the Iranians. In that all parties involved have great interest in keeping this as quiet as possible we believe it to be worth the risk. I have not confided in Dewey re The longer term goals

5 May 1987

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FILE: NOF [redacted] AS WHITE HOUSE COMMUNICATIONS AGENCY PAGE 02

we could/should hope to achieve. Thus, the only parties fully aware of all dimensions of what we are about are you and RCM.

I have given careful consideration to what you suggested re an RCM meeting with the Iranians in an effort to obtain release of the hostages before starting on an effort to undo the present regime in Tehran. Like you and Bud, I find the idea of bartering over the lives of these poor men repugnant. Nonetheless, I believe that we are, at this point, barring unforeseen developments in London or Tel Aviv, too far along with the Iranians to turn back now. If we do not at least make one more try at this point, we stand a good chance of condemning some or all to death and a renewed wave of Islamic Jihad terrorism. While the risks of proceeding are significant, the risks of not trying one last time are even greater.

*PRIVATE BLANK CHECK

[redacted]

[redacted]

[redacted]

[redacted]

NSG FROM: NSOLN --CPUA TO: NSJMP --CPUA 12/05/85 20:04:00
To: NSJMP --CPUA

*** Reply to note of [illegible]/85 13:26

[redacted]

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5 May 1987

Exhibit OLN-49

UNCLASSIFIED ~~SECRET~~

N 28750

~~TOP SECRET~~

December 5, 1985

SPECIAL PROJECT RE IRAN

Background: Several months ago, one of the agents engaged in shipping materiel to the Nicaraguan resistance noted the presence of U.S. military stocks in a [redacted] warehouse. Inquiries indicated that the military materiel was of Israeli origin being shipped by a private company for sale to Iran. When we approached a high-level Israeli official with this knowledge, we were advised that the GOI was not "technically violating" the U.S. ban on shipments to Iran in that the sales were being undertaken by a non-governmental entity [redacted] We were told that each aircraft that delivered arms to Iran, returned to Israel [redacted]

In discussing the matter with the Israelis, they indicated that their objectives in "permitting" this activity were threefold:

-- Use the arms sales to build the credibility of moderate elements in the Iranian army in hopes that they would become sufficiently powerful to establish a more reasonable government in Tehran.

-- Deliver sufficient military materiel to ensure that the Iranian military does not collapse under the pressure of an increasingly effective Iraqi military effort.

[redacted]

In early September, in order that we not take action to terminate the arms sales, the Israelis proposed that this process be used as leverage to recover the American citizens held hostage in Lebanon. It was decided to test the validity of this proposal and on September 14, the Israelis, using chartered aircraft, delivered 500 TOW missiles to Tabriz, Iran. Prior to commencing this operation, we committed to the Israelis that we would sell them replacements for the items they had sold and delivered to Iran. Two days later Reverend Benjamin Weir was released.

EXHIBIT
OLN-49

~~TOP SECRET~~
~~Declassify: OADR~~

UNCLASSIFIED ~~SECRET~~

Current Situation: The Iranians have significant interest in continuing this process. They are under extraordinary military pressure from Iraq and are, by their own admission, subject to regular overflights of Iranian territory by Soviet aircraft. They currently have no capability to deal with this affront and find themselves in an increasingly desperate situation vis-a-vis Iraq. They have urged the Israelis, with whom they are in contact, to continue the process which resulted in the release of Benjamin Weir.

Our continuing efforts to achieve release of the hostages through diplomatic and other means have proven fruitless. There are numerous indications including reports from the special representative of the Archbishop of Canterbury, Terry Waite, that time is running out for the hostages. We are relatively confident of information that former Beirut Chief of Station, Bill Buckley is dead. [redacted]

The Iranians, who have been in contact with the Israelis, are cognizant of the pressure being placed on their Hizballah surrogates in Lebanon and that it is entirely likely that the only leverage they will have over us (the hostages) may no longer be available in the near future. These Iranians, the same that arranged the release of Weir, have now proposed that in exchange for an immediate delivery of 3,300 TOW missiles and 50 Improved HAWK Surface-to-Air missiles from Israel, they will guarantee:

-- The release of the five Americans and one of the French hostages still being held.

-- No further acts Shia fundamentalist terrorism (hijackings; bombings, kidnappings) directed against U.S. property or personnel.

There is considerable reason not to accept this proposal. It is contrary to our stated policy of not making concessions to terrorists or those who sponsor them. It is also possible that such an arrangement is a "double-cross" in that the Iranians can not or will not release the captives as agreed. Such an arrangement, bartering for the lives of innocent human beings, is repugnant. Finally, the quantities which the Iranians wish to purchase will significantly degrade Israeli stockpiles and require very prompt replenishment.

U.S. Interests: Notwithstanding the undesirable nature of such a transaction, it must be noted that the first two Israeli objectives are congruent with our own interests:

-- A more moderate Iranian government is essential to stability in the Persian Gulf and MidEast.

-- Such a change of government in Iran is most likely to come about as a consequence of a credible military establishment which is able to withstand the Iraqi onslought and deter Soviet adventurism/intimidation. The Iranian army (not the Revolutionary Guards) must be capable of at least stalemating the war.

-- Shia fundamentalist terrorism is a serious threat to the United States which has long-term adverse consequences for our interests and we must endeavor to stop its spread.

-- The return of the American hostages will relieve a major domestic and international liability -- in addition to its obvious humanitarian aspect.

The first three of these goals may well be achievable -- and the fourth accrued as a subsidiary benefit -- by commencing the process of allowing the Israeli sales as proposed by the Iranian agents in Europe. It is unlikely, however, that we can proceed further toward the first three -- and not at all on the hostage release unless we allow the process of delivery to begin.

Discussions toward this end have been proceeding among the Israelis, Iranians and a U.S. businessman acting privately on behalf of the USG for nearly three weeks. There are several indications of confidence that an arrangement can be consummated in the next 10 days which would result in the release of the hostages and commencement of a process leading toward the first three objectives above. The military situation in the Iran/Iraq war and the increasing pressure on the Hizballah in Lebanon both point toward immediate action. There is also, as the Iranian intermediaries pointedly noted last week, a complete absence of any Shia fundamentalist hijackings, assassinations, hostage seizures, or bombings since this dialogue began in September. While there have not been expressed or implied threats by the Iranians in these discussions, the Israeli and U.S. private citizen participants believe that if the current effort is not at least tried, we run the risk of abandoning both the longer term goals and the likelihood of reprisals against us for "leading them on." These reprisals would probably take the form of additional hostage seizures, execution of some/all those now held, or both.

Next Steps: The Iranians, the Israelis, and our U.S. businessman plan to meet in London on Saturday, December 6 to discuss whether or not to proceed with the sale of the TOWs and HAWKs. The Israeli government has informally told us that if they can be assured of "prompt" resupply, they will sell the quantities requested from their prepositioned war reserve. 3,300 TOWs represents approximately half their available supplies.

The U.S. businessman has arranged for the charter of two non-U.S. registered aircraft for use in the deliveries. The total delivery would be conducted in 5 flights from Tel Aviv to Tabriz, Iran via interim airfields in Europe prior [redacted] Each delivery is to result in the release of a specified number of hostages. Arrangements for the interim airfields, overflight rights, and flight plans have been made, some with the help of the CIA. A communications code to preserve operational security is available for use by all parties. All aircraft would be inspected by an Iranian at one of the transient locations between Tel Aviv and Tabriz. The entire evolution is designed to be completed in a 24 hour period. It can be stopped at any point if the Iranians fail to deliver.

The greatest operational security concern is that of replenishing Israeli stocks. The Israelis have identified a means of transferring the Iranian provided funds to an Israeli Defense Force (IDF) account, which will be used for purchasing items not necessarily covered by FMS. They will have to purchase the replenishment items from the U.S. in FMS transaction from U.S. stocks. Both the number of weapons and the size of the cash transfer could draw attention. If a single transaction is more than $14.9 M, we would normally have to notify Congress. The Israelis are prepared to justify the large quantity and urgency based on damage caused to the equipment in storage.

[redacted]

If this process achieves the release of the hostages and proves the credibility of the Iranian contacts in Europe, Bud McFarlane would then step in to supervise achieving the longer range goals. Additional meetings with the Iranians would be arranged to further our objectives without requiring such large scale sales/deliveries by the Israelis.

Approval is now required for us to take the next steps on Saturday. After carefully considering the liabilities inherent in this plan, it would appear that we must make one last try or we will risk condemning some or all of the hostages to death and undergoing a renewed wave of Islamic Jihad terrorism. While the risks of proceeding are significant, the risks of not trying are even greater.

~~TOP SECRET~~

EXHIBIT OLN–50

tially Declassified/Released on 23 Jan 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

UNCLASSIFIED

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U 21524

PROSPECTS FOR IMMEDIATE SHIPMENT OF I-HAWK and I-TOW MISSILES

I-HAWK

- There are 164 missiles available at Red River Arsenal--75 intended for UAE and 84 for Korea. The missiles have not yet been lot acceptance tested, but there is a very low risk of failure. The missiles will be at Red River until about April 1986 for testing.

- There would be no impact on the UAE if we ship their 75 missiles. The program has slipped in other ways, and can be accommodated within the normal production lead time for replacement missiles.

- Korea would have to be consulted to ascertain the impact on their program, if it is necessary to ship any missiles in addition to the 75 mentioned above. Procurement lead time to replace Korea's missiles would be about 33 months.

- To the best of our knowledge, all of U.S. Army I-HAWKs are with units and should not be considered from diversion.

- Unit replacement price of HAWK missiles is about $437.7K; total package price for 50 would approximate $22.5M; for 100 about $45M. Package prices include FMS surcharges.

I-TOW

- Army has about [redacted] TOWs (including 48,000 I-TOW) on hand, against a distribution requirement of about [redacted] About 12,900 I-TOW missiles are available in CONUS depot stocks.

EXHIBIT
OLN-50

- Based on the numbers, the impact on Army of shipping 3,300 I-TOWs immediately would be serious but not intolerable. No missiles would have to be taken from troops. Based on the seriousness of the requirement, and keeping in mind that the Army would receive TOW-II replacement missiles, it is likely that the Army would reluctantly acquiesce to immediate shipment of the entire quantity.

- Unit price of the replacement TOW-II missile is about $12,200; total package price would approximate $42M, with FMS surcharges.

- Delivery from production of TOW-II pay back missiles to the Army would occur about the beginning of CY 1988. If necessary--though this is not recommended--approximately 2,000 unallocated TOW-II missiles could be delivered from SDAF to Army in second quarter CY 1987.

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EXHIBIT OLN-51

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N 28746

NATIONAL SECURITY COUNCIL

December 9, 1985

MEMO FOR ROBERT C. MCFARLANE
JOHN M. POINDEXTER

FROM: OLIVER L. NORTH

Attached are our plans to date.

EYES ONLY

EXHIBIT
OLN-51

[illegible] 8 May 1987
[illegible]
by [illegible]

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UNCLASSIFIED ~~TOP SECRET~~

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~~TOP SECRET~~

December 9, 1985
N 28747

NEXT STEPS

The meetings this weekend with the Israelis and Gorbanifahr were inconclusive. Gorbanifahr refused to return to Geneva with our message that no further deliveries would be undertaken until all the hostages were released. Gorbanifahr and the Israelis both believe that if he were to pass such a message to the Iranian Prime Minister or [redacted] (who provides funds for items delivered) -- one or more of the hostages would be executed. Gorbanifahr noted that nine Hizballah leaders had been summoned to Tehran on Friday and that, given the pressures inside Lebanon, all it would take for the hostages to be killed would be for Tehran to "stop saying no."

Much of what we decide to do in the days ahead depends upon whether or not we can trust Gorbanifahr. The Israelis believe him to be genuine. Gorbanifahr's earlier game plan delivered Reverend Weir. He has proposed that we "deliver something" so that he can retain credibility with the regime in Tehran. He even suggested that the weapons delivered be useful only to the Army or Air Force (not the Revolutionary Guards) and that they be "technically disabled." He urged that, if improved HAWKs were not feasible, to at least keep the door open by some kind of delivery between now and the end of the week. He said we must recognize that if TOWs are provided that they will probably go to the Revolutionary Guards.

The Israelis have willingly consented to "kick-back" arrangement which allows Israeli control over Gorbanifahr and [redacted] Israel believes strongly in using any means to bridge into Iran. Their last three governments over a four year period have been consistent in this theme.

Whether we trust Gorbanifahr or not, he is irrefutably the deepest penetration we have yet achieved into the current Iranian Government. There is nothing in any [redacted] which contradicts what he has told us or the Israelis over the past several months. Much of our ability to influence the course of events in achieving a more moderate Iranian Government depends on the validity of what Gorbanifahr has told us -- and his credibility as one who can "deliver" on what the Iranians need. While it is possible that Gorbanifahr is doubling us or simply lining his own pockets, we have relatively little to lose in meeting his proposal; i.e., the Israelis start delivering TOWs and no hostages are recovered. On the other hand, a supply operation now could very well trigger results he claims.

~~TOP SECRET~~
~~Declassify: OADR~~

TOP SECRET

[illegible] under provisions of E.O. 12356
by B. Reger, National Security Council

The current situation is one in which information is incomplete, the motivation of the various participants uncertain, and our operational control tenuous in that we have had to deal exclusively through the Israelis. The near term risk to the hostages has undoubtedly been increased by Iranian "expectations" arising from earlier decisions to proceed with deliveries and by the increasing pressure against Hizballah in Lebanon, [redacted]

Our greatest liability throughout has been lack of operational control over transactions with Gorbanifahr. The Israeli contact, Schwimmer, has arranged deliveries of items which were not requested by Gorbanifahr for the Iranian military. Further, the terms which he negotiated are disadvantageous to the IDF and our ability to replenish the Israelis. It was apparent, during the meeting with McFarlane, that Gorbanifahr preferred to deliver only items useful to the Iranian military -- not the Revolutionary Guard. Despite admonishments to the contrary, Schwimmer had already arranged for the 3,300 TOWs as part of the next steps.

Schwimmer's arrangements would have exchanged the 3,300 TOWs for three hostages at a price which would not allow the IDF to recoup expenses, thus complicating our ability to replenish IDF stores. In short, most of the problems with this endeavor have arisen because we have been unable to exercise operational control over arrangements or their expected outcome. For example, at the meeting with McFarlane we learned for the first time that the Iranians want desperately to return the 18 basic HAWK missiles which are still in Tehran. All agree that we should only do so if the in-bound aircraft has something aboard which the Iranians want. At the end of the meeting it was agreed that we would "get back" to Gorbanifahr quickly as to our next steps. He departed for Geneva to brief [redacted] to the effect that "technical difficulties remain to be overcome before further deliveries can be scheduled."

The question which now must be asked is should we take a relatively small risk by allowing (encouraging) a small Israeli-originated delivery of TOWs and hope for the best or should we do nothing? If such a delivery were to take place, we would have to plan to replenish the Israeli stocks on a "routine" basis to avoid drawing attention.

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~~TOP SECRET~~ 3 N 28749

If we are to prevent the death or more of the hostages in the near future, we appear to have four options available:

- Accept Gorbanifahr/Schwimmer's game plan:
  - -- Stretch and replenishment to Israel over several months making it routine.
  - -- 1,100 TOWs are maximum risk materielly. Cost and cover can be maintained by selling from stock to Israel over time.
  - -- If hostages are recovered disclosure doesn't hurt much.
- [redacted]
- Allow the Israelis to deliver 400-500 TOWs while picking up 18 HAWKs in effort to show good faith to both factions in Iran:
  - -- This could cause Iran to deliver a hostage as sign of cooperation. It will also serve to boost Gorbanifahr's reputation.
  - -- Israel could do this unilaterally and seek routine replacements.
  - -- This gives U.S. more breathing time (maybe!).
- Do nothing:
  - -- Very dangerous since U.S. has, in fact, pursued earlier Presidential decision to play along with Gorbanifahr's plan. U.S. reversal now in mid-stream could ignite Iranian fire -- hostages would be our minimum losses.

There is a fifth option which has not yet been discussed. We could, with an appropriate covert action Finding, commence deliveries ourselves, using Secord as our conduit to control Gorbanifahr and delivery operations. This proposal has considerable merit in that we will reduce our vulnerabilities in the replenishment of Israeli stocks and can provide items like the Improved HAWK (PIP II) which the Iranian Air Force wants and the Israelis do not have. Finally, Secord can arrange for third country nationals to conduct a survey of ground and air military requirements which is what Gorbanifahr has been attempting to obtain from the Israelis for nearly three months.

~~TOP SECRET~~

TOP SECRET

EXHIBIT OLN-52

	Name and Address	Date	Initials
1	The President		
2	John M. Poindexter		
3	Oliver L. North		
4			
5			
6			

✓ ACTION	FILE
APPROVAL	INFORMATION
COMMENT	PREPARE REPLY
CONCURRENCE	RECOMMENDATION
DIRECT REPLY	RETURN
DISPATCH	SIGNATURE

REMARKS

UNCLASSIFIED Ch

N 1248

NSC/ICS CONTROL NO 40011

COPY NO 3A OF

HANDLE VIA SYSTEM IV CHANNEL ONLY

EXHIBIT
OLN-52

NSC INTELLIGENCE DOCUMENT

Partially Declassified/Released on 23 Jan 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

(1268)

Warning Notice
Intelligence Sources and Methods Involved
NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

UNCLASSIFIED

N379
12/1/86

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

SYSTEM II
NSC/ICS-400[illegible]

January 4, 1986

N 1249

~~TOP SECRET~~ [redacted]

ACTION

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: OLIVER L. NORTH

SUBJECT: Covert Action Finding on Iran

Attached at Tab I is a memorandum from you to the President forwarding a Covert Action Finding (Tab A). This Finding is based on our discussions with Nir and my subsequent meeting with CIA General Counsel Stanley Sporkin.

At Sporkin's request, I talked to Bill Casey on secure re the Finding and the overall approach. He indicated that he thought the Finding was good and that this is probably the only approach that will work. He shares our goal of achieving a more moderate government in Iran through this process.

RECOMMENDATION:

That you sign the memorandum to the President at Tab I.

Approve _____ Disapprove _____

Attachments
Tab I - Poindexter Memo to the President
Tab A - Covert Action Finding

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under provisions of E.O. 12356
by B. Reger, National Security Council

1268a

~~TOP SECRET~~
~~Declassify on:~~ OADR [redacted]

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A1[illegible]

TAB

I

UNCLASSIFIED

THE WHITE HOUSE

WASHINGTON

SYSTEM IV
NSC/ICS-400[illegible]

N 1251

~~TOP SECRET~~ [redacted]

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN M. POINDEXTER

SUBJECT: Covert Action Finding Regarding Iran

This week, Prime Minister Peres of Israel secretly dispatched his special advisor on terrorism with instructions to propose a plan by which the U.S. and Israel can act in concert to bring about a more moderate government in Iran. The Israelis are obviously very concerned that the course of the Iran-Iraq war and the potential for further radicalization in Iran pose a significant threat to the security of Israel.

The Israeli plan is premised on the assumption that moderate elements in Iran can come to power if these factions demonstrate their credibility in defending Iran against Iraq and in deterring Soviet intervention. To achieve the strategic goal of a more moderate Iranian government, the Israelis are prepared to unilaterally commence selling military materiel to Western-oriented Iranian factions. It is their belief that by so doing they can achieve a heretofore unobtainable penetration of the Iranian governing heirarchy. The Israelis are convinced that the Iranians are so desperate for military materiel, expertise and intelligence that the provision of these resources will result in favorable long-term changes in personnel and attitudes within the Iranian government. Further, once the exchange relationship has commenced, a dependency would be established on those who are providing the requisite resources, thus allowing the providor(s) to coercively influence near-term events.

As described by the Prime Minister's emissary, the only requirement the Israelis have is an assurance that they will be allowed to purchase U.S. replenishments for the stocks that they sell to Iran. Since the Israeli sales are technically a violation of our Arms Export Control Act embargo for Iran, a Presidential Covert Action Finding is required in order for us to allow the Israeli sales to proceed and for our subsequent replenishment sales.

~~TOP SECRET~~ [redacted]
Declassify on: OADR

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N 1252

~~TOP SECRET~~

[redacted]

The Covert Action Finding attached at Tab A provides the lattitude for the transactions indicated above to proceed. If this Finding is signed, we would not interfere when the Israelis unilaterally commence sales and deliveries of TOW missiles during January, 1986. We would also be able to legally sell basic TOWs to Israel when they submit purchase orders for replenishing their own stocks. The Iranians have indicated an immediate requirement for 4,000 basic TOW weapons for use in the launchers they already hold. We would be expected to replace the Israeli stocks in less than 30 days. 4,000 missiles represent 1/3 of all available TOWs in Israel.

The Israelis and the Iranians with whom they are in contact agree that the continued holding of the five American hostages in Beirut will be immediately solved through commencement of this action. Prime Minister Peres had his emissary pointedly note that they well understand our position on making concessions to terrorists. They also point out, however, that terrorist groups, movements, and organizations are significantly easier to influence through governments than they are by direct approach. In that we have been unable exercise any suasion over Hizballah during the course of nearly two years of kidnappings, this approach through the government of Iran may well be our only way to achieve the release of the Americans held in Beirut. It must again be noted that since this dialogue with the Iranians began in September, Reverend Weir has been released and there have been no Shia terrorist attacks against American or Israeli persons, property, or interests.

The Israelis have asked for our urgent response to this proposal so that they can plan accordingly. They note that the current crisis in the Middle East provides a rationale for a significant purchase of TOWs and expedited delivery on our part. In order to provide an answer to Prime Minister Peres, the Finding at Tab A should be discussed privately with Secretaries Shultz, Weinberger, Director Casey and Attorney General Meese. If, based on their input, you decide to proceed, the Finding should be signed and held.

Recommendation:

OK No

____ ____ That you agree to meet with Secretaries Shultz and Weinberger, Director Casey and Attorney General Meese on this matter as soon as possible.

Attachment
Tab A - Covert Action Finding

Prepared by:
Oliv[illegible] North

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UNCLASSIFIED

N 1254

Finding Pursuant to Section 662 of The Foreign Assistance Act of 1961, As Amended, Concerning Operations Undertaken by the Central Intelligence Agency in Foreign Countries, Other Than Those Intended Solely for the Purpose of Intelligence Collection

I hereby find that the following operation in a foreign country (including all support necessary to such operation) is important to the national security of the United States, and due to its extreme sensitivity and security risks, I determine it is essential to limit prior notice, and direct the Director of Central Intelligence to refrain from reporting this Finding to the Congress as provided in Section 501 of the National Security Act of 1947, as amended, until I otherwise direct.

SCOPE	DESCRIPTION
Iran	Work with Iranian elements, groups and individuals, selected foreign liaison services and third countries, all of which are sympathetic to U.S. Government interests and which do not conduct or support terrorist actions directed against U.S. persons, property or interests, for the purpose of: (1) establishing a more moderate government in Iran, and (2) obtaining from them significant intelligence not otherwise obtainable, to determine the current Iranian Government's intentions with respect to its neighbors and with respect to terrorist acts. Provide funds, intelligence, counterintelligence, training, guidance and communications assistance to these elements, groups, individuals, liaison services and third countries in support of these activities.
	The USG will act to facilitate efforts by third parties and third countries to establish contact with moderate elements within and outside the Government of Iran by providing these elements with arms, equipment and related materiel in order to enhance the credibility of these elements in their effort to achieve a more pro-U.S. government in Iran by demonstrating their ability to obtain requisite resources to defend their country against Iraq and intervention by the Soviet Union. This support will be discontinued if the U.S. Government learns that these elements have abandoned their goals of moderating their government and appropriated the materiel for purposes other than that provided by this Finding.

Partially Declassified/Released on 23 June 1987
under provisions of E.O. 12356
by [illegible] Reger, National Security Council

The White House

[redacted]

EXHIBIT OLN-53

UNCLASSIFIED

[redacted]

6 January 1986

MEMORANDUM FOR: [redacted]
Associate General Counsel

FROM: [redacted]
Office of General Counsel

SUBJECT: Third Country Transfer of Equipment Provided Under the Foreign Assistance or Arms Export Control Acts

1. A question has arisen under what circumstances a recipient of U.S. foreign military assistance can transfer military equipment provided through the foreign assistance mechanism to a third country. Two statutory provisions address this question: one in the context of grant assistance under the Foreign Assistance Act (FAA) and the second where the equipment was purchased by a foreign country under the Arms Export Control Act (AECA). Both Acts require Presidential consent to a third country transfer and certification to Congress where certain dollar amounts and specific types of equipment are involved.

FAA § 505, 22 U.S.C. § 2314(a) and (e)

2. In order to be eligible for military assistance on a grant basis, the recipient foreign country must agree that it will not transfer the equipment to another country without the consent of the President of the U.S. and that it will return the articles to the U.S. when they are no longer needed, unless the President agrees to other disposition. 22 U.S.C. § 2314(a)(1) and (4).

3. In considering a request for approval of any transfer by gift, sale or otherwise of any implement of war to a third country, the President shall not give his consent to the transfer unless the United States itself would transfer the defense article under consideration to that country. The President shall not give his consent to the transfer of any significant defense articles on the U.S. Munitions List unless the foreign country requesting consent agrees to demilitarize

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1137

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under provisions of E.O. 12356
by B. Reger, National Security Council

CIIN #115

UNCLASSIFIED

such defense articles prior to transfer, or the proposed recipient foreign country provides a commitment in writing to the United States that it will not transfer such defense articles, if not demilitarized, to any other foreign country or person without first obtaining the consent of the President. (Consent authority was delegated to the Secretary of State in Executive Order 12163, § 1-201(a)(3),(4), and (5), September 29, 1979, 44 Fed. Reg. 56673.)

AECA § 3, 22 U.S.C. § 2753.

4. No defense article or defense service shall be sold or leased by the U.S. to any country or international organization unless the country or international organization shall have agreed not to transfer title to, or possession of, any defense article, unless the consent of the President is first obtained. The President shall not give his consent under this provision of AECA unless the U.S. itself would transfer the articles to that country. In addition, the President shall not give his consent to the transfer of significant defense articles on the U.S. Munitions List unless the transferring country agrees to demilitarize the equipment or the recipient nation agrees in writing that it will not further transfer the articles.

5. Under both the AECA and the FAA provision outlined above, the President must report a third country transfer to Congress after certain threshold requirements are reached. The President may not consent to a transfer of major defense equipment valued (in terms of its original acquisition cost) at more than $14 million or any defense article valued at more than $50 million (original acquisition cost) to a third country unless he submits a certification to the Speaker of the House and Senate Committee on Foreign Relations for congressional consent to the proposed transfer.

6. The written certification must contain (a) the name of the country proposing to make the transfer, (b) a description of the defense article or service proposed to be transferred, including its original acquisition cost, (c) the name of the proposed recipient, (d) the reasons for the proposed transfer, and (e) the date on which the transfer is proposed to be made. Such certification will be unclassified except that information regarding the dollar value and number of articles may be classified if public disclosure would be clearly detrimental to security of the United States. Consent to the transfer shall not become effective until 30 calendar days after the date of the submittal of the certification, and then only if Congress does not adopt a concurrent resolution disapproving the

proposed transfer. Note: Legislative veto declared unconstitutional by Supreme Court in INS v. Chadha, 462 U.S. 919 (1983)).

7. Functions of the President under this section, with certain exceptions inapplicable here, were delegated to the Secretary of State by E.O. No. 11958, January 18, 1977, 42 Fed. Reg. 4311. With respect to consent to a third country transfer, the Secretary of State is authorized to find, in consultation with other federal departments and agencies, whether the proposed transfer will strengthen the security of the U.S. and promote world peace.

Other Considerations

8. Both the FAA and AECA require that consent be given to a third country transfer of defense articles only if the U.S. itself would transfer the articles to that country. This caveat triggers a panoply of general policy considerations and specific prohibitions relating to foreign military assistance including:

- no assistance to Communist countries unless the President finds and reports promptly to Congress that (1) such assistance is vital to U.S. security; (2) the recipient country—is not controlled by the international Communist conspiracy; and (3) such assistance will promote the independence of the recipient country from Communism (22 U.S.C. § 2370(f));
- no assistance to countries engaging in or preparing for aggressive military efforts directed against the U.S. or FMS recipient nations, unless the President determines that military efforts or preparations have ceased and he reports to Congress that he has received satisfactory assurances they will not be renewed. (No other FAA waiver provisions may be used.) (22 U.S.C. § 2370(i);
- no assistance to countries that grant sanctuary to international terrorists; unless the President determines the national security justifies such assistance and reports his finding to the Speaker of the House and the Senate Committee on Foriegn Relations (22 U.S.C. §§ 2371, (FAA), 2753(f)(AECA); and
- no assistance to countries who have severed diplomatic relations with the U.S., or with whom the U.S. has

severed diplomatic relations, unless diplomatic relations are resumed and agreements for assistance are entered into after the resumption of diplomatic relations (22 U.S.C. § 2370(t)).

EXHIBIT OLN-54

UNCLASS[redacted]

07 JAN 1986

DRAFT
Destroy when complete
WORKING PAPER

EXHIBIT
OLN-54

MEMORANDUM FOR: General Counsel

FROM: [redacted]
Associate General Counsel

SUBJECT: Proposed Iran Finding (TS[redacted]

1. I believe there is sufficient legal authority to support a covert action Finding that would result in the transfer of military equipment to Iran for the purpose of (a) moderating Iran's hostile attitude toward the U.S., (b) preempting possible Soviet influence in the region, and (c) obtaining a hostage release. Such authority would be based upon a Presidential Finding under Hughes-Ryan that the operation is important to the national security, and upon the extraordinary authorities of the National Security Act. The Agency would purchase the equipment from DoD under the Economy Act and transfer the equipment abroad.

2. Attached are several memos prepared in the past on related issues. At Tab A are opinions of the Attorney General, the State Department, and this office stating there is authority for CIA to transfer equipment abroad outside the foreign assistance mechanisms. At Tab B is a 1983 memo that indicates there are no general prohibitions that would preclude CIA's sending equipment to Iran. I have confirmed that this is the case today. Further, I don't believe the Trading with the Enemy Act precludes the transfer, for two reasons. First, the Act itself makes trade unlawful unless conducted "with the license of the President." 50 U.S.C. App. § 3. Second, the Act simply was never intended to preclude acts of the Executive. Tab C contains two opinions on the inapplicability of the Neutrality Act to conduct sanctioned by the President that are relevant on this point.

3. One problem could arise, however, if the equipment to be transferred constitutes articles the U.S. has provided to a second country through the Foreign Assistance/Arms Export Control Acts. The memo at Tab D indicates a country may use material it has received through such U.S. foreign aid only for self defense and may retransfer it only in certain limited circumstances that require U.S. consent, notice to Congress, and the eligibility of the third country recipient for U.S. aid. Terrorist activities, among other things, can disqualify a potential recipient.

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Executive Registry 7420

Partially Declassified/Released on 22 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

UNCLASSIFI [redacted]

4. Finally, as you know, Congress recently passed the Intelligence Authorization Act to require reports of weapons transfers valued in excess of 1 million dollars as significant anticipated intelligence activities "for the purpose of" and, therefore, in accordance with, section 501 of the National Security Act. A copy of the relevant language is at Tab E.

[redacted]

Attachments

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Executive Registry 7421

EXHIBIT OLN-55

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UCI
13 Jan 1986

OLN-55

The Israelis are moving ahead on their Tow for Hostage deal with the Iranians. You will recall that in Sporkin's legal analysis there were two options: one for DoD to do it directly with the Israelis, the other to do it through CIA. Sporkin feels that the most defensible way to do it from a legal standpoint is through CIA. We prefer keeping CIA out of the execution even though a Presidential Finding would authorize the way Defense would have to handle the transactions.

Under this option, the idea was that the Israelis would buy the improved version of the Tow and ship to the Iranians the basic Tows they now have. The Israelis would then replace those basic Tows by buying the improved version. Unfortunately, there is not enough money available to do this. The Iranians have placed $22 million in an account in Switzerland. This is enough for the basic Tows, but for the Israelis to buy the improved version it would cost about $44 million.

Therefore, they want to use the second option under which CIA would buy 4,000 basic Tows from DoD for $21 million. As far as Defense is concerned these purchases would be for general CIA uses for assistance in [redacted] [redacted] etc., and other purposes. The money for the Iranian account would be transferred to the Israelis. The Israelis would transfer that money to a CIA account to pay for this purchase of the Tows from DoD, the shippers would move the Tows to the Israelis who would then move them on to the Iranians. The Israelis would keep their basic Tows and the problem of upgrading them to the new Tows would be handled in the normal DoD-Israeli relationship.

I am told that time is of the essence in getting this done for two reasons: first, the situation in Lebanon is deteriorating so that any delay reduces the prospects of getting the hostages out of Lebanon. [redacted]

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by B. Reger, National Security Council

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EXHIBIT OLN-56

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SUBJECT

MFR - T. C. f. GC R. A. t. P. h. t. T. P. P. t. P. F.

CIA SOURCE INFORMATION ORIGINATOR		EXTERNAL SOURCE INFORMATION ORIGINATOR		
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EXHIBIT OLN-56

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DATE	DATE	DATE

FORM 642 26 OBSOLETE PREVIOUS EDITIONS (40)

AII 266 288 #104

UNCLASSIFIED TOP SECRET [redacted]

~~TOP SECRET~~ UNCLASSIFIED [redacted]

15 January 1986
1440 Hours

MEMORANDUM FOR THE RECORD

FROM: [redacted]
Associate General Counsel

SUBJECT: Telephone Call from General Counsel Regarding Authority to Provide Weapons to Third Parties Pursuant to Presidential Findings

1. At approximately 1420 hours today I received a secure line telephone call from the General Counsel. He wanted to discuss whether I saw any problems or reporting requirements with a proposal to have DoD provide weapons to a CIA "agent" who would pay for the weapons with money supplied by a friendly third country. The agent would then supply the weapons to the intended recipient country. The agent would have no connection with CIA other than to act as a "middle man" with our authority.

2. I told the General Counsel that I would feel more comfortable if CIA were directly involved in the activity and that it would be essential that we act in furtherance of a traditional covert action objective. I said that I could foresee problems if this activity were merely intended to rotate a specific country's stock of weapons. (We had been considering since 10 January a proposal to provide missiles to Israel that would, in part, be to secure the return of U.S. citizens held by or under the control of Iran. As originally explained, Israel would keep the newer missiles supplied by us and give Iran older missiles currently held by Israel. According to the General Counsel, this activity was authorized by a signed Presidential Finding which he worked out with Oliver North on 10-11 January 1986.)

3. Despite repeated urgings to concur in variations that would have DoD provide the weapons without other than token CIA involvement, I did not do so. (At one point, Mr. North came on the line to "clarify" the hypothetical facts for me and then put Stan Sporkin back on the line.) I had previously urged both the General Counsel and Deputy General Counsel to obtain a copy of the Presidential Finding from Mr. North so we could determine what was intended to be authorized. These efforts proved unsuccessful.

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4. I repeatedly told the General Counsel that I could not make the legal determination he was seeking without the facts. Before I changed offices (I was in the middle of a meeting when the General Counsel called) George Jameson overheard my remarks to this effect.

[redacted]

11 March 1986

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EXHIBIT OLN-57

FILE: NOTE [redacted] -- THE WHITE HOUSE COMMUNICATIONS AGENCY UNCLASSIFIED Page 059

N 12109

[redacted]

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MSG FROM: NSOLN --CPUA TO: NSJMP --CPUA 01/15/86 12:06:22
To: NSJMP --CPUA

*** Reply to note of 08/31/85 13:26

-- ~~SECRET~~ --

NOTE FROM: OLIVER NORTH
Subject: PRIVATE BLANK CHECK
Per yr direction, met w/ Casey last night after R'bgr speech at Ft.McNair. Casey then tried to contact Cap but he had already departed. Casey has called urging that you convene a mtg w/ he and Cap ASAP so that we can move on. Casey's view is that Cap will continue to create roadblocks
* PRIVATE BLANK CHECK
MSG FROM: NSOLN --CPUA TO: NSJMP --CPUA 01/15/86 13:01:06
To: NSJMP --CPUA

*** Reply to note of 08/31/85 13:26

UNCLASSIFIED

392

EXHIBIT
OLN-57

N 12110

-- ~~SECRET~~ --

NOTE FROM: OLIVER NORTH
Subject: PRIVATE BLANK CHECK

Continuation of last note (hit SEND when I meant to hit ADD LINES) ...
Casey believes that Cap will continue to create roadblocks until he is told by you that the President wants this to move NOW and that Cap will have to make it work. Casey points out that we have now gone through three different methodologies in an effort to satisfy Cap's concerns and that no matter what we do there is always a new objection. As far as Casey is concerned our earlier method of having Copp deal directly with the DoD as a purchasing agent was fine. He did not see any particular problem w/ making Copp an agent for the CIA in this endeavor but he is concerned that Cap will find some new objection unless he is told to proceed. Colin Powell, who sat next to me during Cap's speech asked the following questions (my answers are indicated):

Q. Does Copp deal w/ Iranians or Israelis?
A. With the Israelis.

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under provisions of E.O. 12356
by B. Reger, National Security Council

Q. What cost are the Israelis willing to pay for the basic TOWs?
A. They (thru Copp) have funds to pay Fair Market Value (FMV should be about $4500-5400 ea. depending on age) and to cover the cost of transportation. They do not have enough to pay for I TOW (about $7300 ea or TOW II (about $13000 ea.)). We have frequently sold the Israelis material at FMV vice the replacement cost to the U.S. Since we have over 1000 of the basic TOW in our inventory and cannot even use it in training due to its age, we ought to look at this as an opportunity to collect on a weapon which we aren't using (all are in FMS according to Koch) and will eventually have to dispose of because we cannot sell them off otherwise. (I'm told that Hughes Acft, the mfgr. has an agreement w/ DoD that all normal FMS transactions will be handled as a producer sale in order to keep DoD fm undercutting the production line by selling off old stocks).

✓ The most recent proposal (Copp as agent for the CIA and sales to the Israelis who then deliver weaps to the Iranians) can only work if we can get the Israelis to come up on their price. I have been unable to contact DIR who is in Europe for a meeting. He still does not know that we are aware that the Iranians have offered $10K per TOW. He has however left a message that we must have a go/no go decision today and that conditions in Bei. continue to deteriorate. [redacted]

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NOI FROM: NSOLN --CPUA TO: NSJMP --CPUA 01/15/86 13:02:50
To: [illegible] --CPUA

*** Reply to note of 01/15/86 12:23

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N 12111

NOTE FROM: OLIVER NORTH
Subject: Contra Legislative Strategy
Many thanks.
Contra Legislative Strategy
MSG FROM: NSOLN --CPUA TO: NSRPD --CPUA 01/15/86 13:51:06
To: NSRPD --CPUA

-- ~~SECRET~~ --

NOTE FROM: OLIVER NORTH
SUBJECT: JMP & VP Mtgs w/ Azcona
Suggest that the talking points include reference along the following lines re Sandinistas & Democratic Resistance Forces:

-- U.S. seeks a democratic outcome in Nicaragua. Our policy toward Nicaragua is aimed at achieving this goal as rapidly as possible. Nic is now the only non-democratic state in Central America.

-- Sandinistas are bad and getting worse:
- Internal repression increasing (shut down Church radio, etc.)
- Intimidation of Neighbors(n-border atks, car incident last mo. involvement w/ M-19, etc)
- Military build-up escalated (Soviet bloc arms, Cuban combat role, etc.)
- Propaganda/Disinformation Offensive (FDN drugs, Pastora hype, DRS, etc.)
- Military Offensive agnst DRF (attempt to crush opponents, scorched earth)

-- UNO represents a viable political entity which deserves support as a means of achieving democratic outcome. Has offered church mediated dialogue as a means of reconciliation. Includes offer of cease-fire.

-- DRF is engaged in a desperate struggle and needs help. Adequately supported, the DRF can provide sufficient military pressure, in conjunction w/ economic & political pressures to bring the people of Nicaragua out in active opposition to the FSLN. Military action by DRF is only one dimension of program but is essential for other s to proceed.

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by J. Reger, National Security Council

[redacted]

[redacted]

MSG FROM: NSOLN --CPUA TO: NSJMP --CPUA 01/15/86 15:01:00
To: NSJMP --CPUA

*** Reply to note of 08/31/85 13:26

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NOTE FROM: OLIVER NORTH
Subject: PRIVATE BLANK CHECK
I have just talked to Nir and told him about what had been learned from Gorba re finances, etc. Nir believes that Gorba does indeed have at least

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$10,000 per TOW available and that Gorba probably lied to Schwimmer and that Schwimmer probably lied to Nir re how much these was available. Nir is fully prepared to proceed any way we wish but noted that time is rapidly running out. [redacted]

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MSG FROM: NSOLN --CPUA TO: NSJMP --CPUA 01/15/86 10:37:47
To: NSJMP --CPUA

*** Reply to note of 08/31/85 13:26

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NOTE FROM: OLIVER NORTH
Subject: PRIVATE BLANK CHECK

Nir just called again. He has advised that he believes the GOI is about to formally withdraw its offer to assist on this matter so that it cannot be blamed when the AMCITS are killed. I asked him about the rumor that one had already been killed. He replied that it was probably another of the Jews since they (Hizballah) will undoubtedly kill the Jews first to make their point.

I then asked Nir to reconfirm, the requirements as he understood them. He said that the Iranians want 4000 TOWs, 25 Moslems released by Lahad and the AMCITs and any surviving Jews wd be released along w/ the Brit if they (the IRG) can still find him.

The Israelis are very very concerned that they cannot make a delivery of 4000 TOWs w/o a promise to replenish. Nir points out that he is operating in an environment which is very hostile since the USG never made good on its promise to promptly replenish the original 500 TOWs that they shipped in September and that if we had but sent those 500 as promised it might have been possible to take the further risk of another 4000.

Yr instructions have invited Sec W'bgr to mtg w/ Casey in yr ofc at 1700 on Thursday. It is my sense that by that time we will have a msg fm the GOI that they are withdrawing their offer. Is it possible to arrange a secure conference call tonight to see if we can make this work? V/R North

PRIVATE BLANK CHECK 8

MSG FROM: NSOLN --CPUA TO: NSJMP --CPUA 01/15/86 22:29:26
To: NSJMP --CPUA

*** Reply to note of 08/31/85 13:26

-- SECRET --

NOTE FROM: OLIVER NORTH
Subject: PRIVATE BLANK CHECK

Per instructions, I called DCM Re understandings on the original 508 TOWs shipped by Israel to Iran. As I understand it, there was a USG commitment to SELL, over time, replacements to the Israelis for what they sent for Weir. We DO, according to DCM have a commitment to make this SALE. We did NOT have any agreement on prices or ultimate dates, though it was understood by both sides that the transaction wd be concluded promptly.

As I understand the current problem w/ the purchase of the 508:

-- The Israelis received funds adequate to purchase only the [redacted] TOW. Whether this is because Schwimmer pocketed the cost or whether there was a kick-back to [redacted] neither Nir nor I know. Gorba told me that he had paid $10000 apiece for these weaps and

7 May 1987

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under provisions of E.O. 12356
by N. Reger, National Security Council

pocketed $500 for each one delivered.

-- When the Israeli purchasing office in NYC, following their normal procedures, made inquiries w/ the Army Materiel Command (AMC) on the availability and price of basic TOWs, the AMC immediately began to question why the IDF wanted to revert to the basic model which was no longer in production and the IDF has already begun purchases of the I TOW for their inventory upgrade. AMC noted that there was an "understanding" with the Mfgr not to compete w/ the production line by selling the older weaps in army stocks and that selling fm Army stocks wd be the only source available for the basic TOW. At this point, the purchasing office terminated the inquiry since they believed that the purchase wd raise so many questions that it wd leak and complicate further action which, by then, was in the planning stages. The Israelis have made no further effort to purchase the basic TOWs but have been told in an unsolicited call from AMC that the basic model wd have to be the same price as the I TOW so that the AMC can recover replacement costs.

-- Nir continues to be apprehensive about going back in to ask his people to ship w/o some kind of guarantee of replenishment whether or not it succeeds in getting the hostages out. He is going to get back to me at 0300 EST re results of his meeting w/ the P.M. I passed yr msg verbatim to include He laughed and noted that the IDF would have even greater impetus If the hostages were killed rather than released, then there are some who have argued against proceeding on this tack any further since it jeopardizes Israel w/ no promise of return.

At this point I believe that we could proceed along the following lines. Nir goes directly to Gorba (cutting out Schwimmer (and gets $10M for 1000 basic TOWs. He then sends 1000 basic TOWs fm Israeli stocks to Iran. Hopefully the hostages are then released. We gives Secord whatever the FMS price is for 500 TOWs from the $10M (should be about $3.6M). Secord then buys and ships 500 TOWs to Israel as replacement for the first exchange (Nair). This process wd at least provide the IDF w/ one third of what they had withdrawn from inventory. It is important to note that in my last discussion with Nir (he doesn't sleep either) he is very concerned about credibility all around. He noted that before they shipped the first 500, they had what they believed to be an accepted promise to allow them to buy replacements but that all along the way there have been obstacles. He has confided that part of the pressure is indeed political in that he is concerned about a leak inside the cabinet from someone who is disaffected over the drawdown of stocks, but if we wanted him to push for it he would. I believe that Nir himself is both so exhausted and in such jeopardy of losing his job over this that he may no longer be functional. I do not believe that Nir is lying to us. I do believe he is sincerely concerned about the outcome and wants to do what he can — for both Israel and the US. He has promptly agreed to every proposal we have made to date except the final one of shipping 1000 TOWs w/o promise of replenishment. He will be back to us. Will advise.

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NSC FROM: NSOLN   --CPUA     TO: NSJMP   --CPUA          01/16/86 13:39:56
To: NSJMP   --CPUA

*** Reply to note of 01/15/86 09:27
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EXHIBIT OLN-58

UNCLASSIFIED [redacted]

OGC-86-50167
15 January 1986

TALKING POINTS

-- Whether existing statutes and regulations control the manner and method in which the DoD can sell weapons to third parties is an issue that DoD must determine. From a CIA standpoint, since there is a presidential finding, CIA is authorized to assist in the obtaining of the materiel in question. If CIA actually took control of materiel through an Economy Act transfer by DoD, this would seem to be the preferred way to handle the proposal from a legal standpoint. This would provide the maximum use of CIA authorities.

-- If CIA merely acts as an accommodation party and, in effect, requests DoD to deal with a particular agent, this might also be proper but it would be up to DoD to tell us whether their authorities would allow such a transaction outside of the Economy Act. We have found no such precedent.

-- The key issue in this entire matter revolves around whether or not there will be reports made to Congress. Each of the Acts involved--the Foreign Assistance Act, the Arms Export Control Act and indeed the National Security Act as amended--have certain reporting provisions in them. While the National Security Act provides for a certain limited reporting procedure, it is my view that there may be other ways of making a suitable report by exercise of the President's constitutional prerogatives.

-- One such possibility would be not to report the activity until after it has been successfully concluded and to brief only the chairman and ranking minority members of

[redacted]

OGCR TS 0802-86
Copy 1 of 2

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UNCLASSIFIED [redacted]

Executive Registry 7422

the two Oversight Committees. This would maximize the security of the mission and reduce the possibility of its premature disclosure.[1]

-- In this way, you will have limited the number of persons having access to the information and also be assured that there will be no disclosure of the information until after the activity has been successfully completed. I repeat again that it is the various reporting requirements that seem to be dictating how we can proceed. If there can be an agreement that a report will be made, it minimizes the risk inherent in any such undertaking, and the way that the project is carried out can then be put on a less fractious basis.

-- Finally, whatever plan is adopted, such action should be taken only after it has been discussed with the Attorney General, the Secretary of Defense, the Secretary of State, and the Assistant to the President for National Security Affairs.

---

[1] As you know, the Act itself provides for a report to be limited to the chairman and ranking minority members of the intelligence committees, the Speaker and minority leader of the House of Representatives, and the majority and minority leaders of the Senate.

OGCR TS 0802-86
Copy 1 of 2

Executive Registry 7423

EXHIBIT OLN-59

FILE: NOTE [redacted] AO WHITE HOUSE COMMUNICATIONS AGENCY **UNCLASSIFIED** PAGE 034

N 12114

-- ~~SECRET~~ --

NOTE FROM: OLIVER NORTH
Subject: Meeting
Nir has advised that the 20th still appears good IF we are proceeding w/ the first step of the long range plan to change the govt -- ending the hostage problem and getting rid of the 18 HAWK missiles still parked in Tehran. He believes that if the first step is scrubbed that the mtg will be too. He will be back to us on Tuesday next week re location and go/no-go decision if we make an affirmative decision on the first steps re the hostages.
Meeting
MSG FROM: NSOLN --CPUA TO: NSJMP --CPUA 01/16/86 13:01:09
To: NSJMP --CPUA

*** Reply to note of 01/13/86 09:25

-- ~~SECRET~~ --

NOTE FROM: OLIVER NORTH
Subject: NICARAGUA
I agree. Will take for action in our Tuesday mtg w/ Elliott's people & prior to yr mtg w/ Elliott & Noel.
NICARAGUA
MSG FROM: NSOLN --CPUA TO: NSJMP --CPUA 01/16/86 13:50:09
To: NSJMP --CPUA

*** Reply to note of 01/10/86 10:57

-- ~~SECRET~~ --

NOTE FROM: OLIVER NORTH
Subject: MIKE LEDEEN
Have told this to You should be aware, however, that it is my opinion, based on my meeting w/ Gorba on Monday night, that Gorba tells Ledeen every thing. suspects that there is probably a secret business arrangement among Schwimmer, Ledeen and Gorba that is being conducted w/o the knowledge of any of the three respective governments and that this will result in at least some cross-fertilization of information. This may not be altogether bad if we can keep in touch w/ Ledeen enough to get a feel for what is really going on. I have no problem w/ someone making an honest profit on honest business. I do have a problem if it means the compromise of sensitive political or operational details. We might consider making him a contract employee of the CIA and requiring him to take a periodic polygraph. Yes? No?
MIKE LEDEEN
MSG FROM: NSJMP --CPUA TO: NSOLN --CPUA 01/14/86 09:27:35
To: NSOLN --CPUA OLLIE NORTH

-- ~~SECRET~~ --

NOTE FROM: JOHN POINDEXTER
Subject: See log
WHEN YOU TALK TO NIR ASK HIM ABOUT DATE AND PLACE FOR
*** Forwarding note from NSRCM --CPUA 01/14/86 08:08 ***
To: NSJMP --CPUA JOHN M. POINDEXTER

-- ~~SECRET~~ --

NOTE FROM: ROBERT MCFARLANE

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by Reger, National Security Council

EXHIBIT
OLN-59

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EXHIBIT OLN-60

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[redacted]

THE WHITE HOUSE

WASHINGTON

January 17, 1986

[redacted]

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ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN M. POINDEXTER JP

SUBJECT: Covert Action Finding Regarding Iran

Prime Minister Peres of Israel secretly dispatched his special advisor on terrorism with instructions to propose a plan by which Israel, with limited assistance from the U.S., can create conditions to help bring about a more moderate government in Iran. The Israelis are very concerned that Iran's deteriorating position in the war with Iraq, the potential for further radicalization in Iran, and the possibility of enhanced Soviet influence in the Gulf all pose significant threats to the security of Israel. They believe it is essential that they act to at least preserve a balance of power in the region.

The Israeli plan is premised on the assumption that moderate elements in Iran can come to power if these factions demonstrate their credibility in defending Iran against Iraq and in deterring Soviet intervention. To achieve the strategic goal of a more moderate Iranian government, the Israelis are prepared to unilaterally commence selling military materiel to Western-oriented Iranian factions. It is their belief that by so doing they can achieve a heretofore unobtainable penetration of the Iranian governing hierarchy. The Israelis are convinced that the Iranians are so desperate for military materiel, expertise and intelligence that the provision of these resources will result in favorable long-term changes in personnel and attitudes within the Iranian government. Further, once the exchange relationship has commenced, a dependency would be established on those who are providing the requisite resources, thus allowing the provider(s) to coercively influence near-term events. Such an outcome is consistent with our policy objectives and would present significant advantages for U.S. national interests. As described by the Prime Minister's emissary, the only requirement the Israelis have is an assurance that they will be allowed to purchase U.S. replenishments for the stocks that they sell to Iran. We have researched the legal problems of Israel's selling U.S. manufactured arms to Iran. Because of the requirement in U.S. law for recipients of U.S. arms to notify the U.S. government of transfers to third countries, I do not recommend that you agree with the specific details of the Israeli plan. However, there is another possibility. Some time ago Attorney

[redacted]

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under provisions of E.O. 12356
by R. [illegible]

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~~TOP SECRET~~ 2 [redacted]

General William French Smith determined that under an appropriate finding you could authorize the CIA to sell arms to countries outside of the provisions of the laws and reporting requirements for foreign military sales. The objectives of the Israeli plan could be met if the CIA, using an authorized agent as necessary, purchased arms from the Department of Defense under the Economy Act and then transferred them to Iran directly after receiving appropriate payment from Iran.

The Covert Action Finding attached at Tab A provides the latitude for the transactions indicated above to proceed. The Iranians have indicated an immediate requirement for 4,000 basic TOW weapons for use in the launchers they already hold.

The Israeli's are also sensitive to a strong U.S. desire to free our Beirut hostages and have ~~insisted~~ that ~~the~~ Iranians demonstrate both influence and good intent by an early release of the five Americans. Both sides have agreed that the hostages will be immediately released upon commencement of this action. Prime Minister Peres had his emissary pointedly note that they well understand our position on not making concessions to terrorists. They also point out, however, that terrorist groups, movements, and organizations are significantly easier to influence through governments than they are by direct approach. In that we have been unable to exercise any suasion over Hizballah during the course of nearly two years of kidnappings, this approach through the government of Iran may well be our only way to achieve the release of the Americans held in Beirut. It must again be noted that since this dialogue with the Iranians began in September, Reverend Weir has been released and there have been no Shia terrorist attacks against American or Israeli persons, property, or interests.

Therefore it is proposed that Israel make the necessary arrangements for the sale of 4000 TOW weapons to Iran. Sufficient funds to cover the sale would be transferred to an agent of the CIA. The CIA would then purchase the weapons from the Department of Defense and deliver the weapons to Iran through the agent. If all of the hostages are not released after the first shipment of 1000 weapons, further transfers would cease.

On the other hand, since hostage release is in some respects a byproduct of a larger effort to develop ties to potentially moderate forces in Iran, you may wish to redirect such transfers to other groups within the government at a later time.

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TOP SECRET

~~TOP SECRET~~ 3 [redacted]

The Israelis have asked for our urgent response to this proposal so that they can plan accordingly. They note that conditions inside both Iran and Lebanon are highly volatile. The Israelis are cognizant that this entire operation will be terminated if the Iranians abandon their goal of moderating their government or allow further acts of terrorism. You have discussed the general outlines of the Israeli plan with Secretaries Shultz and Weinberger, Attorney General Meese and Director Casey. The Secretaries do not recommend you proceed with this plan. Attorney General Meese and Director Casey believe the short-term and long-term objectives of the plan warrant the policy risks involved and recommend you approve the attached Finding. Because of the extreme sensitivity of this project, it is recommended that you exercise your statutory prerogative to withhold notification of the Finding to the Congressional oversight committees until such time that you deem it to be appropriate.

Recommendation

OK NO

RB per ___ That you sign the attached Finding.

Prepared by:
Oliver L. North

Attachment
Tab A - Covert Action Finding

1000 17 Jan 86

President was briefed verbally from this paper. VP, Don Regan and Don Fortier were present

TOP SECRET

X2

[illegible] [redacted]

Finding Pursuant to Section 662 of The Foreign Assistance Act of 1961 As Amended, Concerning Operations Undertaken by the Central Intelligence Agency in Foreign Countries, Other Than Those Intended Solely for the Purpose of Intelligence Collection

I hereby find that the following operation in a foreign country (including all support necessary to such operation) is important to the national security of the United States, and due to its extreme sensitivity and security risks, I determine it is essential to limit prior notice, and direct the Director of Central Intelligence to refrain from reporting this Finding to the Congress as provided in Section 501 of the National Security Act of 1947, as amended, until I otherwise direct.

SCOPE	DESCRIPTION
Iran	Assist selected friendly foreign liaison services, third countries and third parties which have established relationships with Iranian elements, groups, and individuals sympathetic to U.S. Government interests and which do not conduct or support terrorist actions directed against U.S. persons, property or interests, for the purpose of: (1) establishing a more moderate government in Iran, (2) obtaining from them significant intelligence not otherwise obtainable, to determine the current Iranian Government's intentions with respect to its neighbors and with respect to terrorist acts, and (3) furthering the release of the American hostages held in Beirut and preventing additional terrorist acts by these groups. Provide funds, intelligence, counter-intelligence, training, guidance and communications and other necessary assistance to these elements, groups, individuals, liaison services and third countries in support of these activities. The USG will act to facilitate efforts by third parties and third countries to establish contact with moderate elements within and outside the Government of Iran by providing these elements with arms, equipment and related materiel in order to enhance the credibility of these elements in their effort to achieve a more pro-U.S. government in Iran by demonstrating their ability to obtain requisite resources to defend their country against Iraq and intervention by the Soviet Union. This support will be discontinued if the U.S. Government learns that these elements have abandoned their goals of moderating their government and appropriated the materiel for purposes other than that provided by this Finding.

Ronald Reagan

The White House
Washington, D.C.
Date January 17, 1986

OGCR TS 0801-86
Copy 1

X2

UNCLASSIFIED [redacted]

Exhibit OLN-61

UNCLASSIFIED SECRET

C/EUR
OUTGOING

[redacted]

85 0084466 ASZ

PAGE 001
TOT: 22[redacted]NOV 85 DIRECTOR 626449

S E C R E T
STAFF 22[redacted]DIRECTOR 626449
TO: FLASH [redacted]

EXHIBIT
OLN-61

SUBJECT: NSC REQUEST

[redacted] FROM CHIEF/EUR

1. WHAT FOLLOWS IS A NATIONAL SECURITY COUNCIL INITIATIVE AND HAS THE HIGHEST LEVEL OF USG INTEREST AND WHAT I NEED FROM YOU IS YOUR COMMENTS AND JUDGEMENTS ON [redacted] REACTIONS TO THE PROPOSAL AND THE APPROPRIATENESS OF THE CHANNEL OF COMMUNICATIONS WITH THE GOVERNMENT [redacted] YOU WOULD APPROACH [redacted] AND ASK THAT [redacted] GRANT [redacted] OVERFLIGHT CLEARANCES FOR THREE COMMERCIAL [redacted] AIRCRAFT (OR SIMILAR AIRCRAFT) FLYING ON A CHARTERED BASIS FROM [redacted] TO TABRIZ AND THEN RETRACING THEIR ROUTES. THIS DEPLOYMENT COULD TAKE PLACE AS EARLY AS SOMETIME 23 NOVEMBER OR, MORE LIKELY, ON 24 NOVEMBER. I WILL, OF COURSE, PROVIDE YOU WITH AIRCRAFT TAIL NUMBERS, ETC., AT AN APPROPRIATE POINT. YOU WOULD EXPLAIN TO [redacted] THAT THE PURPOSE OF THE FLIGHT IS HUMANITARIAN IN NATURE AND IS IN RESPONSE TO TERRORIST ACTS. YOU WOULD POINT OUT THAT THIS OPERATION IS OF INTEREST TO THE HIGHEST LEVELS OF THE USG AND THAT [redacted] SUPPORT OF THIS ENDEAVOR WILL NOT GO UNNOTICED OR UNAPPRECIATED.

2. YOU SHOULD CONFINE KNOWLEDGE OF THIS OPERATION WITHIN [redacted] TO YOURSELF AND YOUR COMMUNICATORS. THE AMBASSADOR SHOULD NOT BE INFORMED.

3. PLEASE REPLY TO THIS MESSAGE FLASH

4. NO FILE. DECL OADR DRV HUM 4-82. ALL SECRET.>
ORIG: C/EUR (CLARRIDGE); AUTH: REL: C/EUR (CLARRIDGE). CL BY [redacted]

END OF MESSAGE ~~SECRET~~

1295

Partially Declassified/Released on 23 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

DO

21385

3 7C

REVIEWED FOR RELEASE
Date 20 APR 1987

NSC & SSC

C11N 2142

UNCLASSIFIED SECRET

Exhibit OLN-62

UNCLASSIFIED

5a

[redacted]

C/EUR
OUTGOING

85 02184 ASZ PAGE 001
TOT: 2[redacted]NOV 85 DIRECTOR 627576

~~SECRET~~
STAFF 2[redacted] DIRECTOR 627576
TO: [redacted]

Partially Declassified/Released on 23 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

SUBJECT: NSC REQUEST

1. WE HAVE UNDERWAY IN THE NEXT 24-48 HOURS AN OPERATION AIMED AT THE RELEASE OF THE WESTERN HOSTAGES SEIZED IN LEBANON. THE OPERATION INVOLVES THE MOVEMENT OF AIRCRAFT FROM ISRAEL TO IRAN AND REQUIRES AN ENROUTE STO[redacted] [redacted] WHICH WILL EASE PROBLEMS FOR OVERFLI[redacted] A STOPOVER AT A MILITARY OR COMMERCIAL AIRFIELD [redacted] IN ORDER TO FILE FLIGHT PLAN FOR TABRIZ AND TO REFUEL WOULD GREATLY FACILITATE THIS EFFORT.

EXHIBIT
OLN-62

2. A TOTAL OF FIVE SORTIES ARE [redacted] FOR THIS OPERATION. HOWEVER, IF [redacted] COULD AGREE TO ONE OF THESE OCCURRING IN THE NEXT 12 HOURS [redacted] IT WOULD ALLOW US TO SHOW OUR GOOD FAITH TO THE PARTY INV[redacted] AND LIKELY RESULT IN THE RELEASE OF THE HOSTAGES. WE COU[redacted]HEN ENDEAVOR TO ACCOMPLISH THE OTHER FOUR SORTIES TH[redacted]UGH OTHER MEANS I[redacted] [redacted] WERE UNWILLING TO ASSIST US [redacted]RTHER.

3. THE AIRCRAFT INVOLVED IS A [redacted]COMMERCIAL BOEING 707 CARGO AIRCRAFT REGISTRY NUMBER [redacted] OWNED [redacted] IF [redacted] ARE AGREEABLE, I WIL[redacted]OVIDE YOU WITH FLIGHT TIMES.

4. WILL YOU PLEASE GO TO [redacted] ON THIS IMMEDIATELY. YOU CAN DRAW ON ANY OF THE ABOVE IN MAKING YOUR PRESENTATION TO HIM. I WOULD ASK HOWEVER THAT YOU IMPRESS UPON HIM THAT WE NEED ABSOLUTE DISCRETION IN THE MATTER. YOU CAN ALSO ASSURE HIM THAT THIS OPERATION IS OF GREAT INTEREST TO THE HIGHEST LEVELS OF THE USG AND IF IT WILL HELP I CAN ARRANGE FOR BUD MACFARLAND TO CA[redacted] MIGHT SUGGEST. NEEDLESS TO SAY, THAT IF [redacted] ASSIST US THEY CAN EXPECT TO RECEIVE MENTION IN DISPATCHES, APPROPRIATE LETTERS OF APPRECIATION [redacted]DENT, ETC. AGAIN, I MUST STRESS THAT DISCRE[redacted] ELEMENT WHICH YOU SHOULD STRESS TO [redacted] IN PRESENTING THIS MATTER. I WOULD ALSO ASK THAT YOU KEEP KNOWLEDGE OF THIS OPERATION LIMITED TO YOURSELF WITHIN [redacted] AND THE AMBASSADOR NEED NOT REPEAT NOT BE INFORMED. HOWEVER, IF [redacted] NEEDS TO BOUNCE THIS PROPOSAL OFF THE PRIME MINISTER OR SOMEONE SIMILAR WHO MIGHT BRING IT TO THE AMBASSADOR'S ATTENTION, I WILL SEEK SPECIAL AUTHORIZATION FOR YOU TO BRIEF HIM. BEST REGARDS AND WHY DO THESE ALWAYS HAPPEN ON THE WEEKEND.

1299

A

5. FILE: NO FILE. DECL OADR DRV HUM 4-82. ALL SECRET.>
ORIG: C/EUR (CLARRIDGE); AUTH: C/EUR (CLARRIDGE); REL: C/EUR (CLARRIDGE). CL BY [redacted]
END OF MESSAGE ~~SECRET~~

3 7C

DO

21404

REVIEWED FOR RELEASE
Date 20 APR 1987

UNCLASSIFIED

EXHIBIT OLN-63

UNCLASSIFIED

75

[redacted] C/EUR
OUTGOING

85 9[illegible] ASZ PAGE 001
TOT: 2[redacted]NOV 85 DIRECTOR 628289

STAFF 2[redacted]DIRECTOR 628289
TO: [redacted]

Partially Declassified/Released on 23 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

SUBJECT: NSC REQUEST

REF: A. [redacted]
B.

1. YOU MAY ASSURE [redacted] THAT WE WILL NOT USE [redacted] FOR ANY FURTHER FLIGHTS NOR WILL THERE BE ANY SORTIES UNTIL [redacted] WHAT I NEED TO KNOW IS CAN WE PROCEED WITH A FLIGHT TRANSITTING [redacted] LATE EVENING 27 NOVEMBER/EARLY MORNING 28 NOVEMBER [redacted] WE WAIT UNTIL THE EVENING OF 28 NOVEMBER.

EXHIBIT
OLN-63

2. PLEASE TELL [redacted] THAT WE [redacted]RELY REGRET THE ENORMOUS AMOUNT OF CONFUSION SURROUND[redacted]AST NIGHT'S SORTIE. YOU ARE INDEED CORRECT THAT PLANS BEI[redacted]E AT POINT OF THE AIRCRAFT'S ORIGIN WERE OVERTAKEN BY [redacted]CTIONS PLACED ON THE FLIGHTS BY [redacted] OUR PROBLEM IS [redacted] ARE ONLY BROKERS IN THIS MATTER AND DO NOT HAVE DIRECT [redacted]MMUNICATIONS WITH THOSE RESPONSIBLE FOR ORIGINATING THE[redacted]TS OR THE FLIGHT CREWS. THIS IS BASICALLY A COMMERC[redacted]SACTION AND INVOLVES AIR CHARTER COMPANIES OVER WHICH WE [redacted] DIRECT CONTROL. MOREOVER, THERE ARE NO AGENCY PERSONN[redacted] THE GROUND AND IN CONTACT WITH THE INDIVIDUALS ORIGINATING THE FLIGHTS. THUS, OUR COMMUNICATIONS WITH THE LATTER ARE SLOW AND TENUOUS AT BEST. THIS WHOLE OPERATION HAD TO BE PUT TOGETHER IN VERY SHORT ORDER AND NOW THAT WE HAVE A COUPLE OF DAYS TO PLAN THE NEXT SORTIE, I THINK WE CAN ASSURE YOU AND YOU IN TURN CAN ASSURE [redacted] THAT THE NEXT SORTIES WILL GO MORE SMOOTHLY AND IN LINE WITH [redacted] REQUIREMENTS.

1306

3. ~~EQUIPMENT ON BOARD~~ IS INDEED SPARES FOR THE OIL INDUSTRY BUT THAT IS NOT TO SAY THAT IT MAY NOT ALSO HAVE SOME [illegible] SPECIALIZED [redacted]T OR SUPPLIES MIXED IN WITH IT. [illegible] SIMPLY CAN[redacted] WHY THE PILOT TOLD GROUND CONTROLLERS HE WAS CARRYING MILITARY EQUIPMENT, BUT PERHAPS THAT IS WHAT [illegible] THOUGHT HE WAS TRANSPORTING.

4. I AM VERY INTERESTED IN THE POSSIBILITY OF USING [illegible] IN[redacted] FOR AT LEAST ONE OR MORE OF THE NEXT [illegible] SORTIES. CAN [redacted] ASSIST US IN ARRANGING FOR THE USE [illegible] THIS FIELD?

A

7C

5. ALL HERE VERY MUCH APPRECIATE YOUR EFFORTS OVE[illegible] PAST WEEKEND ON THIS VERY IMPORTANT OPERATION. YOU MAY [illegible] [redacted] THAT THEIR COOPERATION IS NOT LOST ON HIGH-LE[illegible] AUTHORITIES HERE. FINALLY, I ASSUME FROM REF B THAT OUR AMBASSADOR IS FULLY WITTING OF THIS OPERATION. PLEASE CONFIRM SO THAT I MAY ADD HIM TO THE BIGOT LIST AND INFORM THE NSC. BEST REGARDS AND THANKS.

REVIEWED FOR RELEASE
20 APR 1987

UNCLASSIFIED

CIIN 2184

EXHIBIT OLN-64

UNCLASSIFIED
~~SECRET~~

[redacted]

C/EUR
OUTGOING

```
85 913289      ASC                PAGE 001
                        TOT: 27[redacted]NOV 85        DIRECTOR 631009
---------------------------------------------------------------------------
```

~~SECRET~~
STAFF 27[redacted]DIRECTOR 631009
TO: IMMEDIATE [redacted]

[redacted]

SUBJECT: DCM MEETING WITH FOREIGN MINISTRY

TO DCM FROM C/EUR

1. OPERATION IS STILL ON. WE ARE REGROUPING. WILL ADVISE ADDITIONAL DETAILS TOMORROW.

2. NO FILE. DECL OADR DRV HUM 4-82. ALL SECRET.>
ORIG: C/EUR (CLARRIDGE); REL: DDO [redacted] AT DIRECTION OF C/EUR.<

END OF MESSAGE ~~SECRET~~

EXHIBIT
OLN-64

Partially Declassified/Released on 6 Jul 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

1276

CIIN #81

UNCLASSIFIED
~~SECRET~~

EXHIBIT OLN-65

~~SECRET~~
UNCLASSIFIED

C/EUR
OUTGOING

[redacted]

85 9 229005 ASC PAGE 001
CORRECTED COPY TOT: 22[redacted] NOV 85 DIRECTOR 631010

~~S E C R E T~~
STAFF 27[redacted] DIRECTOR 631010
TO: IMMEDIATE [redacted]

[redacted]

SUBJECT: DCM MEETING WITH FOREIGN MINISTRY

FOR DCM FROM C/EUR

REF: [redacted]

1. UNFORTUNATELY REF ARRIVED TOO LATE FOR ME TO RESPOND IN TIME FOR MEETING.

2. MY INABILITY TO RESPOND TO YOUR MESSAGE PRIOR TO THIS TIME IS A RESULT OF BUREAUCRATIC SNAFU OF THE LAST FOURTEEN HOURS. I WILL FILL YOU IN TOMORROW.

3. NO FILE. DECL OADR DRV HUM 4-82. ALL SECRET. >
ORIG: C/EUR (CLARRIDGE); REL: CDC [redacted] AT DIRECTION C/EUR. <
CDC COMMENT: CORRECTED COPY TO CORRECT FOR LINE (FROM) C/EUR AND LINE 2 PARA 2 MISSPELLING.

END OF MESSAGE ~~SECRET~~

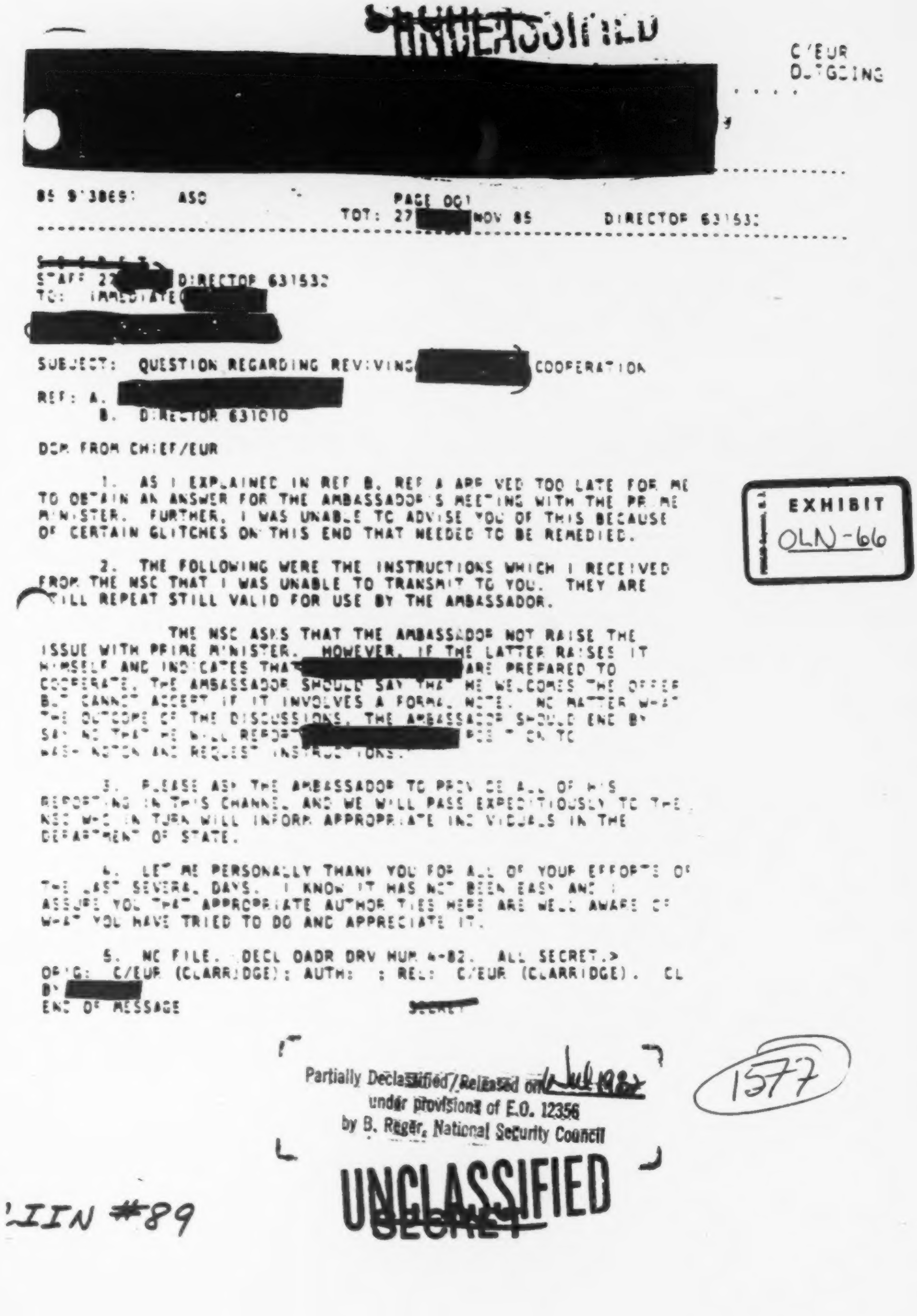
EXHIBIT
OLN-65

Partially Declassified/Released on 6 Jul 87
under provisions of E.O. 12356
by D. Reger, National Security Council

UNCLASSIFIED 1578
~~SECRET~~

CIIN #82

EXHIBIT OLN-66



UNCLASSIFIED

[redacted]

C/EUR
OUTGOING

85 9138691 ASC PAGE 001
TOT: 27[redacted]NOV 85 DIRECTOR 631532

~~SECRET~~
STAFF 27[redacted]DIRECTOR 631532
TO: IMMEDIATE[redacted]
[redacted]

SUBJECT: QUESTION REGARDING REVIVING[redacted]COOPERATION

REF: A. [redacted]
B. DIRECTOR 631010

DCM FROM CHIEF/EUR

1. AS I EXPLAINED IN REF B, REF A ARRIVED TOO LATE FOR ME TO OBTAIN AN ANSWER FOR THE AMBASSADOR'S MEETING WITH THE PRIME MINISTER. FURTHER, I WAS UNABLE TO ADVISE YOU OF THIS BECAUSE OF CERTAIN GLITCHES ON THIS END THAT NEEDED TO BE REMEDIED.

EXHIBIT
OLN-66

2. THE FOLLOWING WERE THE INSTRUCTIONS WHICH I RECEIVED FROM THE NSC THAT I WAS UNABLE TO TRANSMIT TO YOU. THEY ARE STILL REPEAT STILL VALID FOR USE BY THE AMBASSADOR.

THE NSC ASKS THAT THE AMBASSADOR NOT RAISE THE ISSUE WITH PRIME MINISTER. HOWEVER, IF THE LATTER RAISES IT HIMSELF AND INDICATES THAT[redacted]ARE PREPARED TO COOPERATE, THE AMBASSADOR SHOULD SAY THAT HE WELCOMES THE OFFER BUT CANNOT ACCEPT IF IT INVOLVES A FORMAL NOTE. NO MATTER WHAT THE OUTCOME OF THE DISCUSSIONS, THE AMBASSADOR SHOULD END BY SAYING THAT HE WILL REPORT[redacted]POSITION TO WASHINGTON AND REQUEST INSTRUCTIONS.

3. PLEASE ASK THE AMBASSADOR TO PROVIDE ALL OF HIS REPORTING IN THIS CHANNEL AND WE WILL PASS EXPEDITIOUSLY TO THE NSC WHO IN TURN WILL INFORM APPROPRIATE INDIVIDUALS IN THE DEPARTMENT OF STATE.

4. LET ME PERSONALLY THANK YOU FOR ALL OF YOUR EFFORTS OF THE LAST SEVERAL DAYS. I KNOW IT HAS NOT BEEN EASY AND I ASSURE YOU THAT APPROPRIATE AUTHORITIES HERE ARE WELL AWARE OF WHAT YOU HAVE TRIED TO DO AND APPRECIATE IT.

5. NO FILE. DECL OADR DRV HUM 4-82. ALL SECRET.>
ORIG: C/EUR (CLARRIDGE); AUTH: ; REL: C/EUR (CLARRIDGE). CL BY [redacted]
END OF MESSAGE

~~SECRET~~

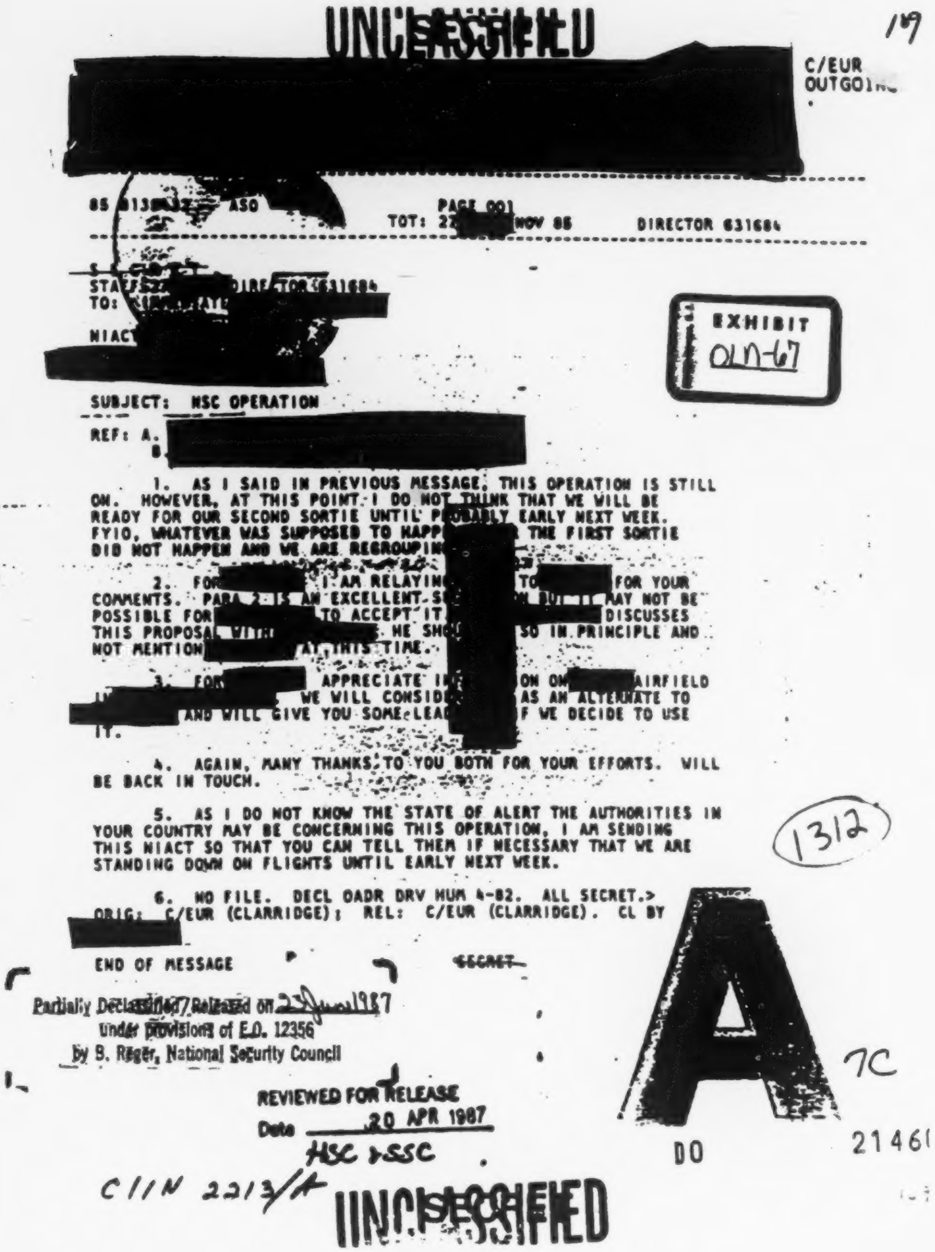
Partially Declassified/Released on 6 Jul 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

1577

UNCLASSIFIED
~~SECRET~~

LIIN #89

EXHIBIT OLN-67



UNCLASSIFIED

19

[redacted]

C/EUR
OUTGOING

85 813[redacted] ASO PAGE 001
TOT: 22[redacted]NOV 85 DIRECTOR 631684

STA[redacted]DIRE TOR 631684
TO: [redacted]

NIACT [redacted]

EXHIBIT
OLN-67

SUBJECT: NSC OPERATION

REF: A. [redacted]
B.

1. AS I SAID IN PREVIOUS MESSAGE, THIS OPERATION IS STILL ON. HOWEVER, AT THIS POINT I DO NOT THINK THAT WE WILL BE READY FOR OUR SECOND SORTIE UNTIL PROBABLY EARLY NEXT WEEK. FYIO, WHATEVER WAS SUPPOSED TO HAPP[redacted] THE FIRST SORTIE DID NOT HAPPEN AND WE ARE REGROUPIN[redacted]

2. FOR [redacted] I AM RELAYIN[redacted] TO [redacted] FOR YOUR COMMENTS. PARA 2 IS AN EXCELLENT S[redacted] BUT IT MAY NOT BE POSSIBLE FOR [redacted] TO ACCEPT IT.[redacted] DISCUSSES THIS PROPOSAL WITH [redacted]. HE SHO[redacted] SO IN PRINCIPLE AND NOT MENTION [redacted] AT THIS TIME.

3. FOR [redacted] APPRECIATE IN[redacted]ON ON [redacted] AIRFIELD [redacted] WE WILL CONSIDE[redacted] AS AN ALTERNATE TO [redacted] AND WILL GIVE YOU SOME LEA[redacted]F WE DECIDE TO USE IT.

4. AGAIN, MANY THANKS TO YOU BOTH FOR YOUR EFFORTS. WILL BE BACK IN TOUCH.

5. AS I DO NOT KNOW THE STATE OF ALERT THE AUTHORITIES IN YOUR COUNTRY MAY BE CONCERNING THIS OPERATION, I AM SENDING THIS NIACT SO THAT YOU CAN TELL THEM IF NECESSARY THAT WE ARE STANDING DOWN ON FLIGHTS UNTIL EARLY NEXT WEEK.

1312

6. NO FILE. DECL OADR DRV HUM 4-82. ALL SECRET.>
ORIG: C/EUR (CLARRIDGE); REL: C/EUR (CLARRIDGE). CL BY [redacted]

END OF MESSAGE ~~SECRET~~

Partially Declassified/Released on 27 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

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Date 20 APR 1987
HSC & SSC

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DO 21461

C11N 2213/A

UNCLASSIFIED

EXHIBIT OLN–68

UNCLASSIFIED

///

[redacted]

C/EUR
OUTGOING

85 [redacted] ASR

PAGE 001

TOT: [redacted] DEC 85   DIRECTOR 638740

S E [redacted]
STAF [redacted] DIRECTOR 638740
TO: [redacted]

SUBJECT: NSC [redacted] -- UPDATE

REF: DIRECTOR 631684

1. WE ARE STILL REGROUPING. KEY MEETING OF PRINCIPALS WILL TAKE PLACE THIS WEEKEND WITH EARLIEST POSSIBLE AIRCRAFT DEPLOYMENTS SOMETIME MID TO LATE WEEK OF 8 DECEMBER.

2. NO FILE. DECL OADR DRV HUM 4-82. ALL SECRET.>
ORIG: C/EUR (CLARRIDGE); REL: C/EUR (CLARRIDGE). CL BY [redacted]

END OF MESSAGE

[redacted]

EXHIBIT
OLN-68

1313

Partially Declassified/Released on 23 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

REVIEWED FOR RELEASE
Date 20 APR 1987
NSC & SSC

A

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DO 21462

C11N2216/A

UNCLASSIFIED

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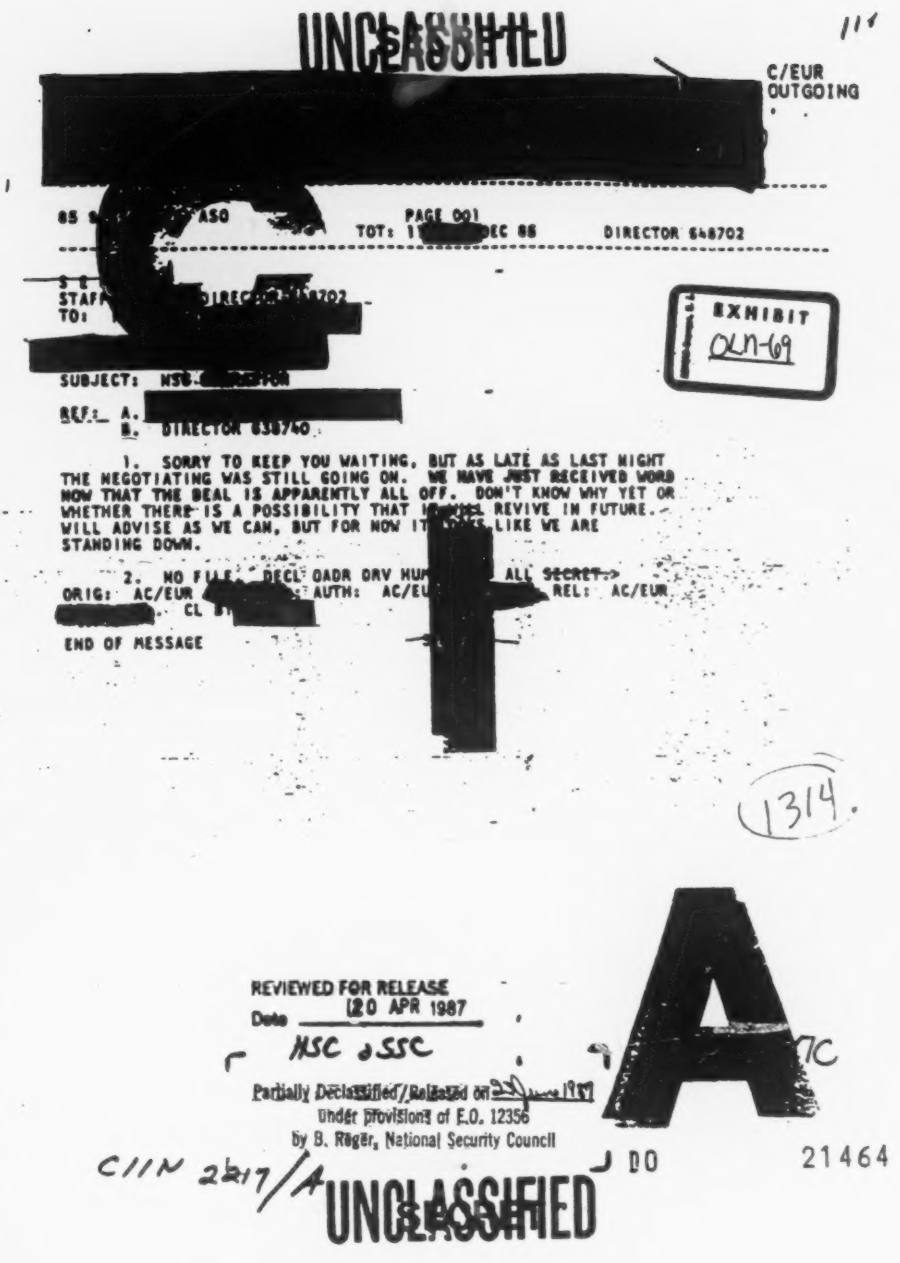
Exhibit OLN-69



UNCLASSIFIED

111

C/EUR
OUTGOING

[redacted]

85 S [illegible] ASO PAGE 001
TOT: 1[redacted]DEC 86 DIRECTOR 648702

S E [illegible]
STAFF [illegible] DIRECTOR [illegible]702
TO: [redacted]

EXHIBIT
OLN-69

SUBJECT: NSC-[redacted]

REF: A. [redacted]
B. DIRECTOR 638740

1. SORRY TO KEEP YOU WAITING, BUT AS LATE AS LAST NIGHT THE NEGOTIATING WAS STILL GOING ON. WE HAVE JUST RECEIVED WORD NOW THAT THE DEAL IS APPARENTLY ALL OFF. DON'T KNOW WHY YET OR WHETHER THERE IS A POSSIBILITY THAT I[redacted] REVIVE IN FUTURE. WILL ADVISE AS WE CAN, BUT FOR NOW IT[redacted] LIKE WE ARE STANDING DOWN.

2. NO FILE. DECL OADR DRV HUM[redacted] ALL SECRET.>
ORIG: AC/EUR [redacted] AUTH: AC/EU[redacted] REL: AC/EUR [redacted]. CL B[redacted]

END OF MESSAGE

1314.

REVIEWED FOR RELEASE
Date 20 APR 1987

NSC & SSC

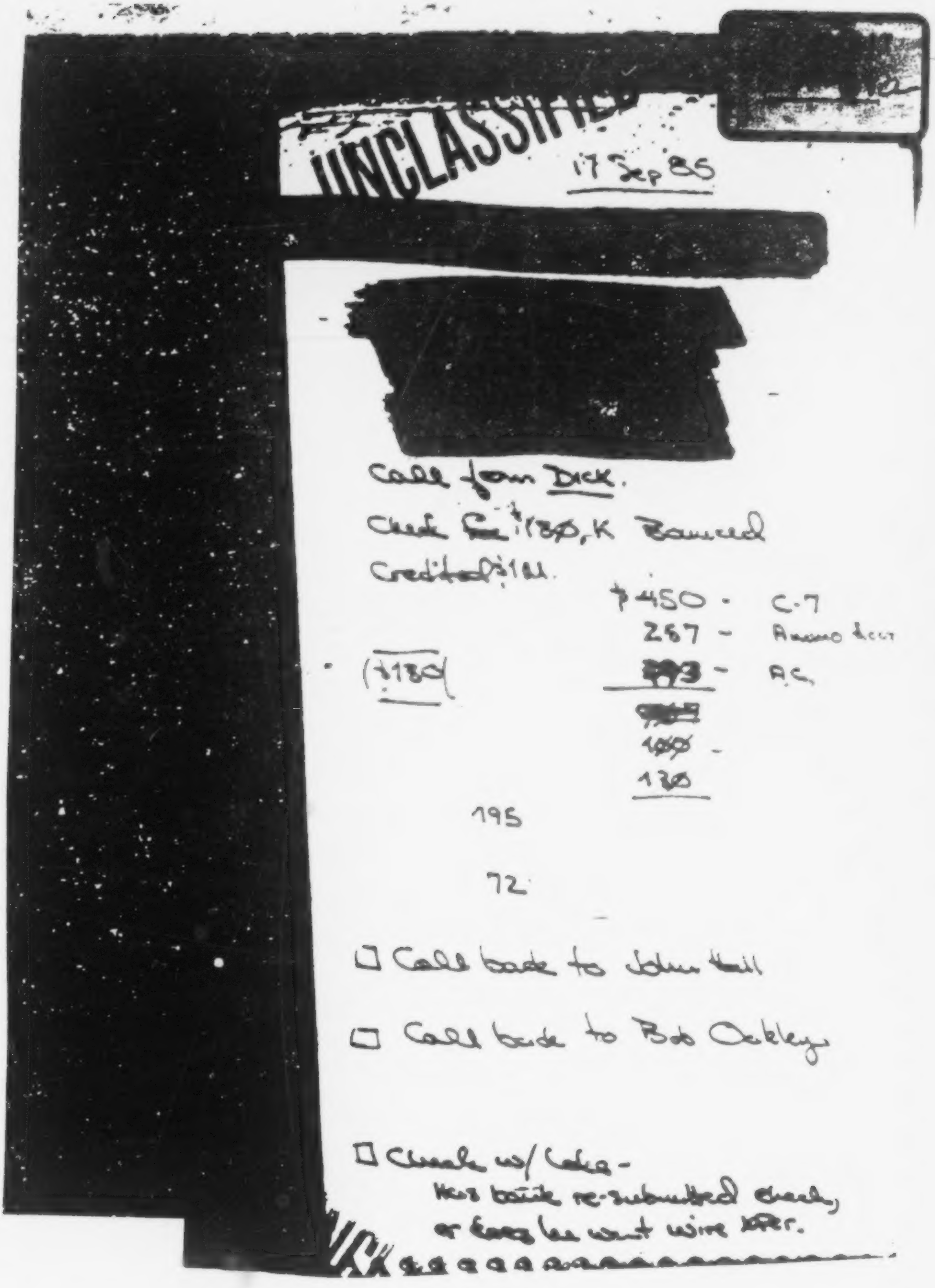
Partially Declassified/Released on 23 June 1987
Under provisions of E.O. 12356
by B. Reger, National Security Council

C11N 2217/A

DO 21464

UNCLASSIFIED

EXHIBIT OLN-69A



[redacted]

UNCLASSIFIED

17 Sep 85

[redacted]

[redacted]

Call from Dick.

Check for $180,K Bounced

Credited $180.

	$450	-	C-7
	287	-	Ammo Acct
($180)	293	-	A.C.
	~~1030~~		
	1000	-	
	130		

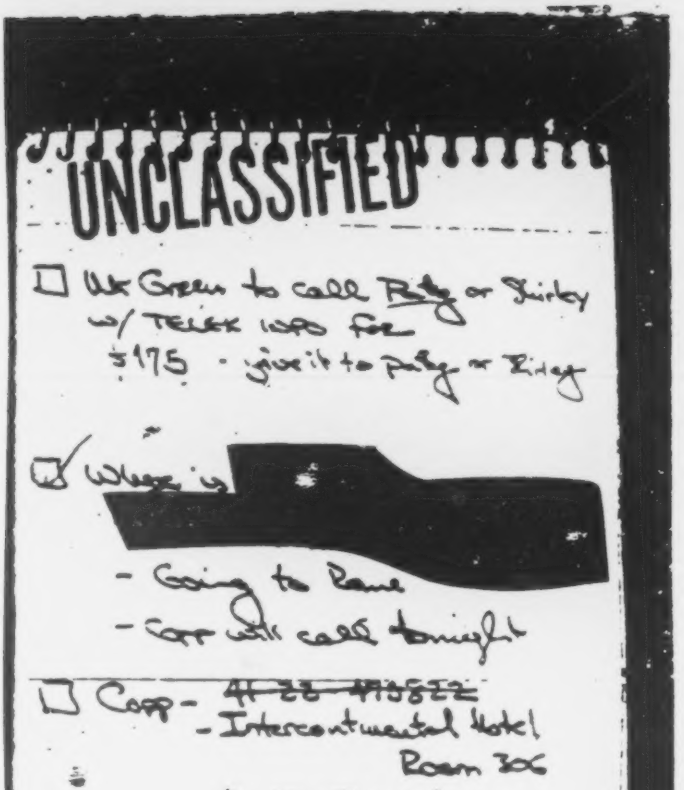
195

72

☐ Call back to John Hull

☐ Call back to Bob Oakley

☐ Check w/ Calero -
Has bank re-submitted check,
or does he want wire xfer.



UNCLASSIFIED

☐ Mr Green to call Betsy or Shirley
w/ TELEX info for
$175 - give it to Betsy or Shirley

☑ Where is [redacted]
- Going to Rome
- Copp will call tonight

☐ Copp - ~~41 22 479522~~
- Intercontinental Hotel
Room 306
41-22-346091
Ref. GREEN -

1700 - call from Jim re leak
Kimche/Schwimmer - Israel.

UNCLASSIFIED

UNCLASSI

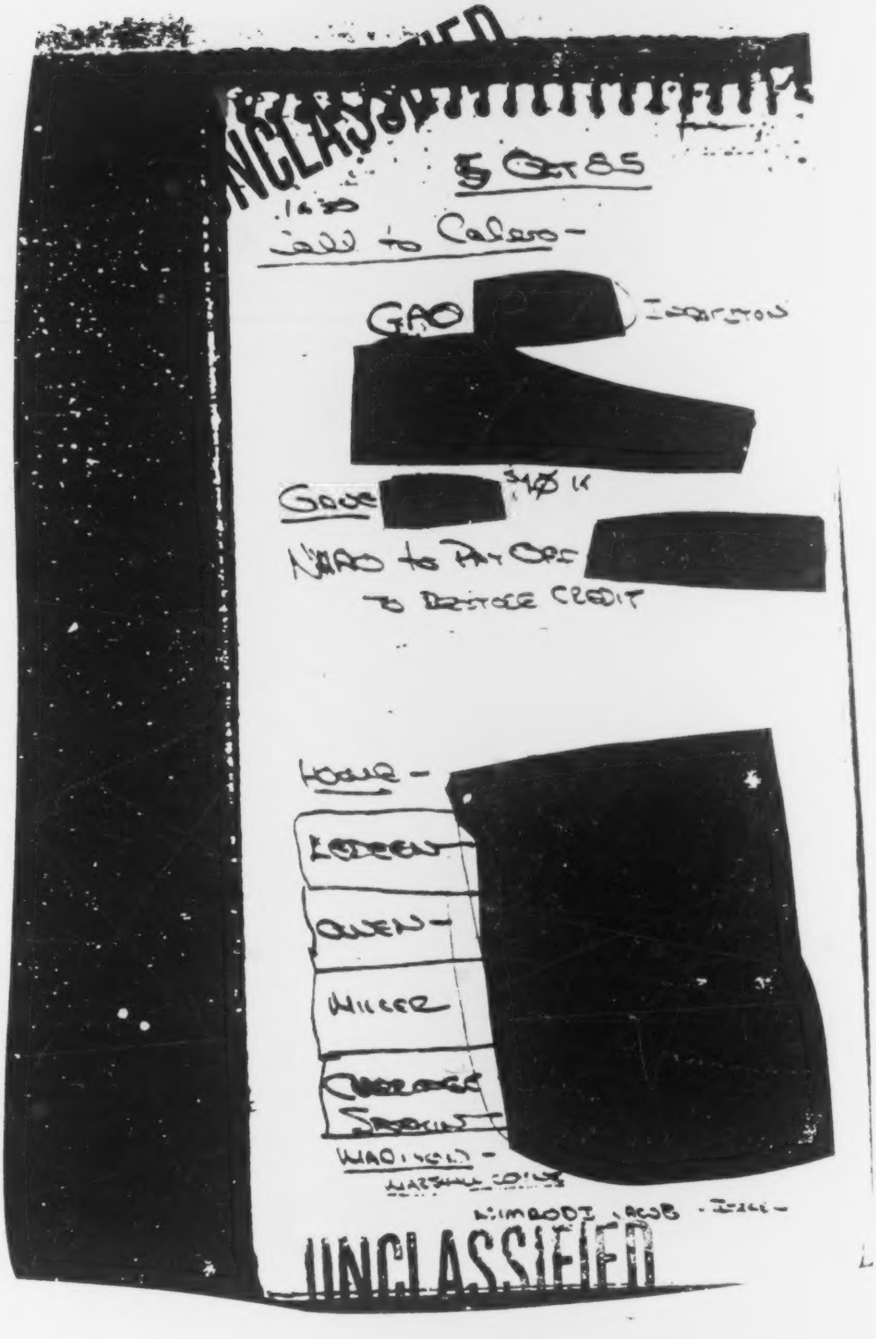
5 Oct 85

[redacted]

- MTG w/ RCM

  - Nic Hum Asst
  - Result out of $ for Lethal
  - [illegible] Mtg Tomorrow
    [illegible]
  - Clearance to expedite movement
    of [redacted] fm Paris to Dubai
  - Legal Doc'y

UNCLASSIFIED



UNCLASSIFIED

5 Oct 85

1430

Call to Calero -

GAO [redacted] Inspection

Gade [redacted] 340 K

NARO to Pay Off [redacted]
to Restore Credit

House - [redacted]

Ledeen -

Owen -

Miller

Channell
Sporkin

Washington -
Marshall Coils

Nimrodi Jacob - Israel -

UNCLASSIFIED

UNCLASSIFIED

6 Oct 85

Stan Sporkin - [redacted]

[redacted]

7 Oct

[redacted]

J.R - [redacted] - [redacted]

1645 RIG: Panama -

UNCLASSIFIED

[redacted]

UNCLASSIFIED

25 Oct

[redacted]

• Call from [illegible]

[redacted]

– [illegible] now in
– Nick thinks

[redacted]

– Nick the Greek
waiting there on
– Australian it

To see RCM tomorrow a.m.
or Weds P.M.

Travel
Artist

[redacted]

UNCLA

[redacted]

NCL

29 Oct [illegible]

0730 Staff Mtg:

[redacted]

[illegible] Call from

— Amiram Nir —

[redacted]

— Someone else coming on
1 pm

wants to see [illegible]

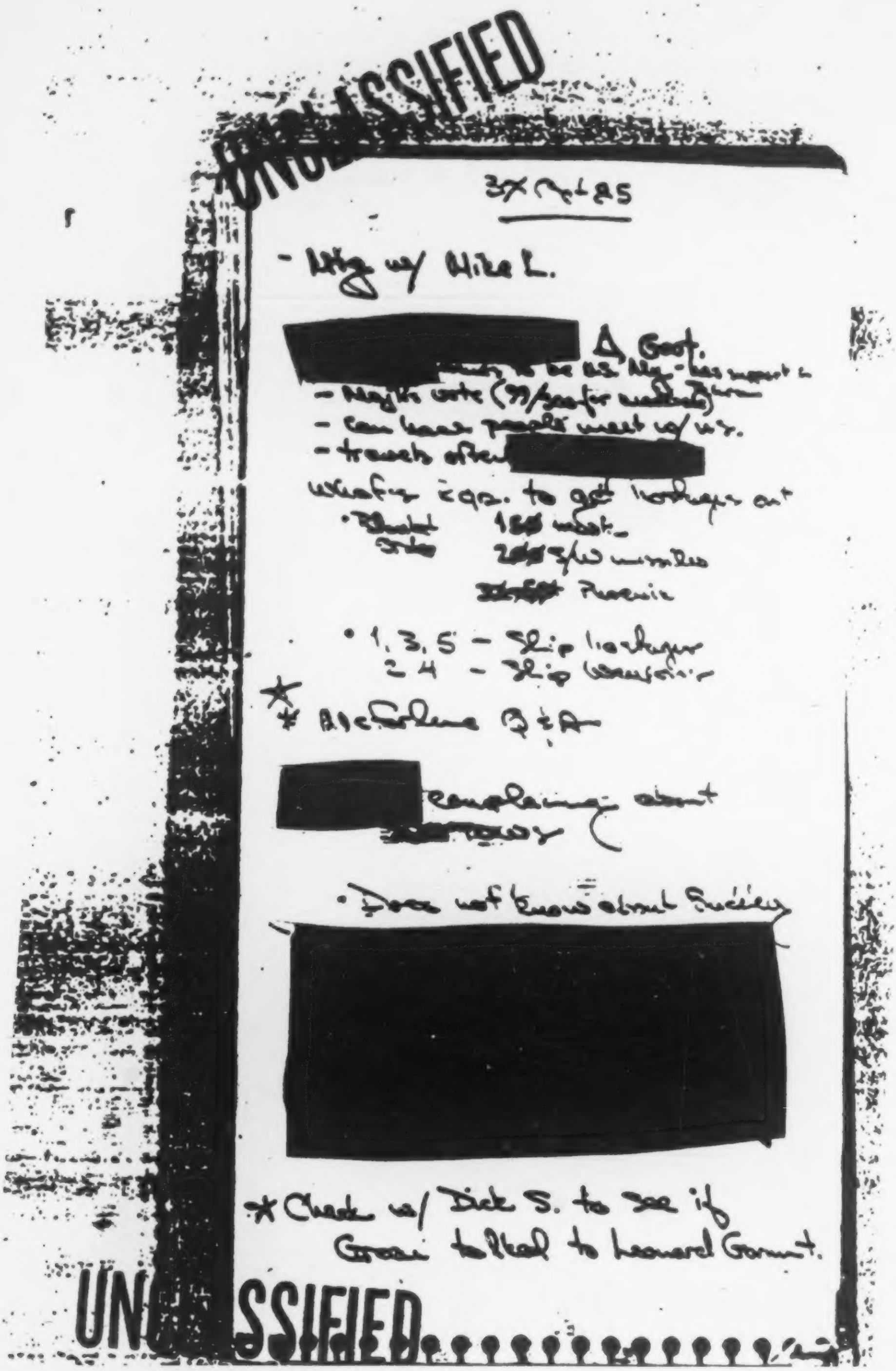
= Bessy Former Pilot
[illegible] -
— Deputy here 12th in [illegible]

0830 Mtg w/ Rb & [illegible]

[redacted]

9:00

NCLASSIFIED



UNCLASSIFIED

30 Oct 85

- Mtg w/ Mike L.

[redacted] Δ Govt.
[redacted] wants to be U.S. Mtg - has report [illegible]
- Maybe vote (??/ [illegible]) [illegible]
- Can have people meet w/ us.
- travels often [redacted]

Whatever req. to get hostages out
• ~~[illegible]~~ 150 [illegible]
[illegible] 200 [illegible] missiles
~~[illegible]~~ Phoenix

• 1, 3, 5 - Ship hostages
2 4 - Ship weapons

* McFarlane Q & A

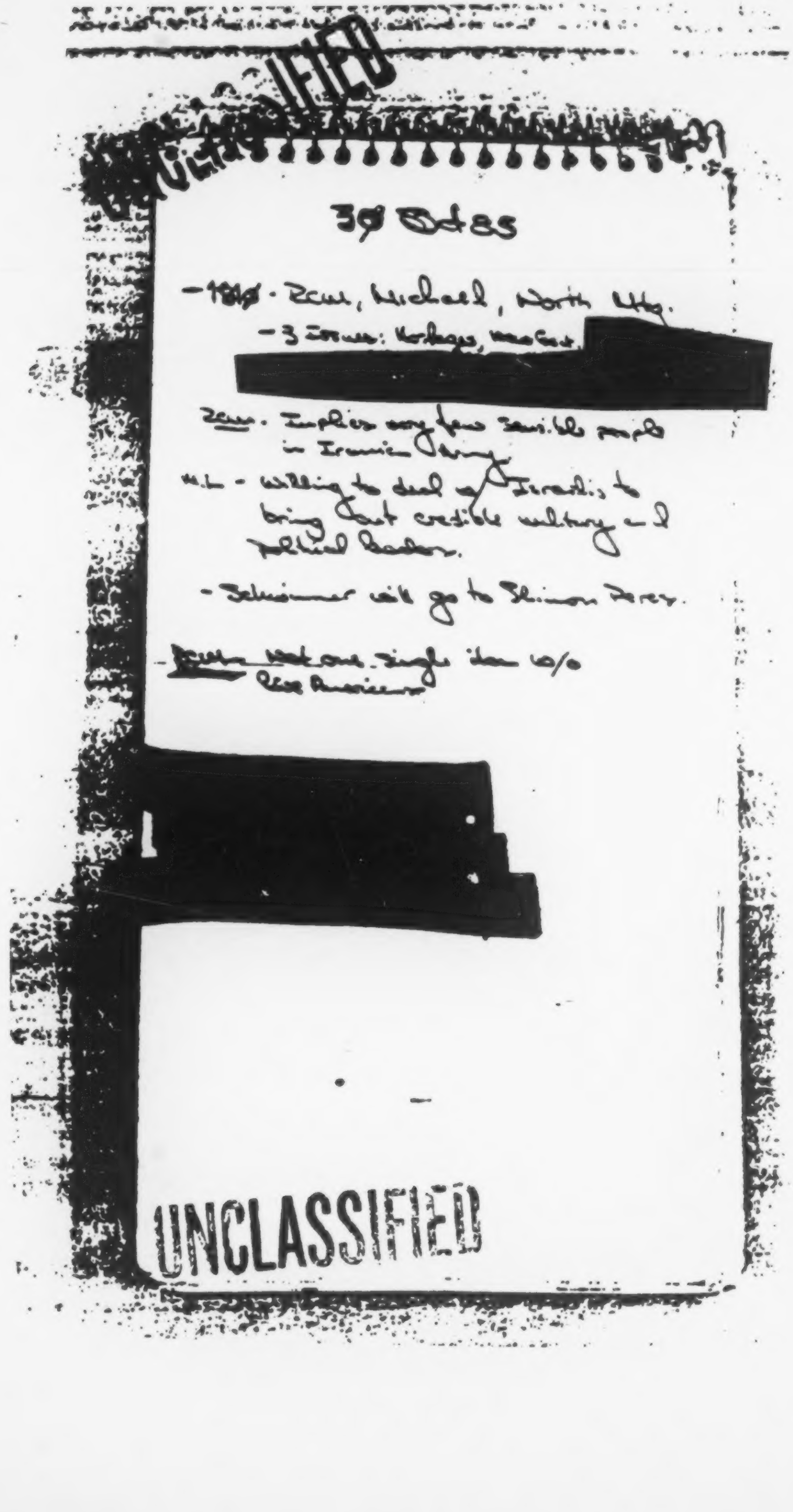
[redacted] complaining about ~~[illegible]~~ TOWs (

• Does not know about [illegible]

[redacted]

* Check w/ Dick S. to see if Gorba talked to Leonard Garment.

UNCLASSIFIED



UNCLASSIFIED

30 Oct 85

- 1840 - Ram, Michael, North Mtg.
  - 3 Issues: Hostages, new Govt [redacted]

Ram - Implies very few sensible people in Iranian Army.

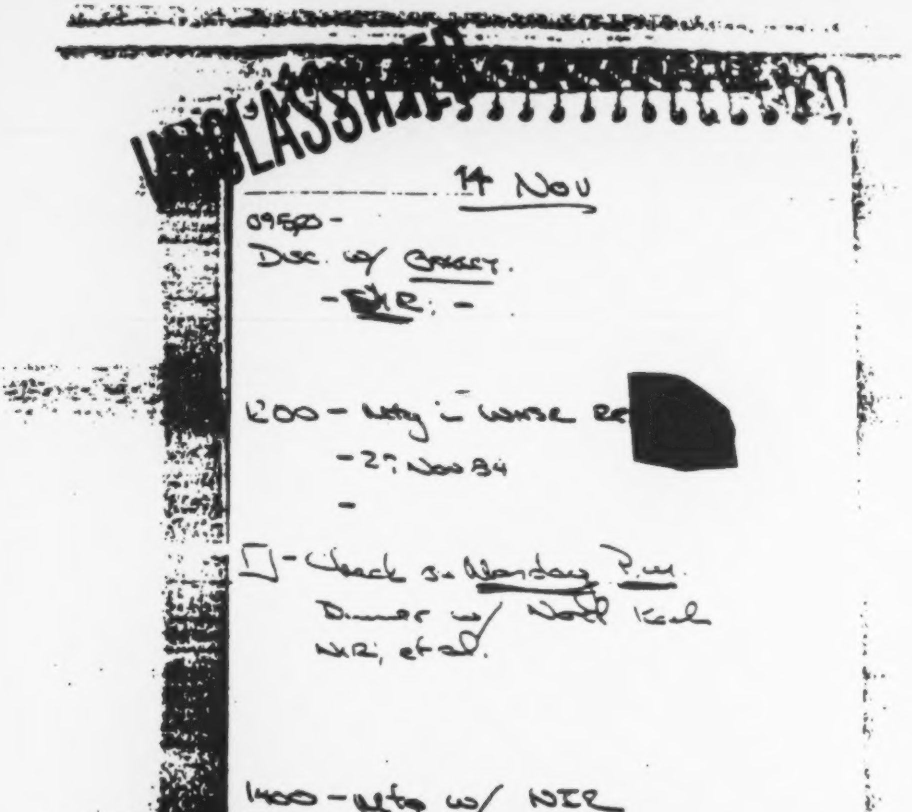
M.L. - Willing to deal w/ Israelis to bring about credible military and political leaders.

- Schwimmer will go to Shimon Peres.

- Ram want one single item w/o all Americans

[redacted]

UNCLASSIFIED



UNCLASSIFIED

14 Nov

0950 –
Disc. w/ Gregg.
– [illegible]: –

1200 – Mtg in WHSR Re [redacted]
– 27 Nov 84
–

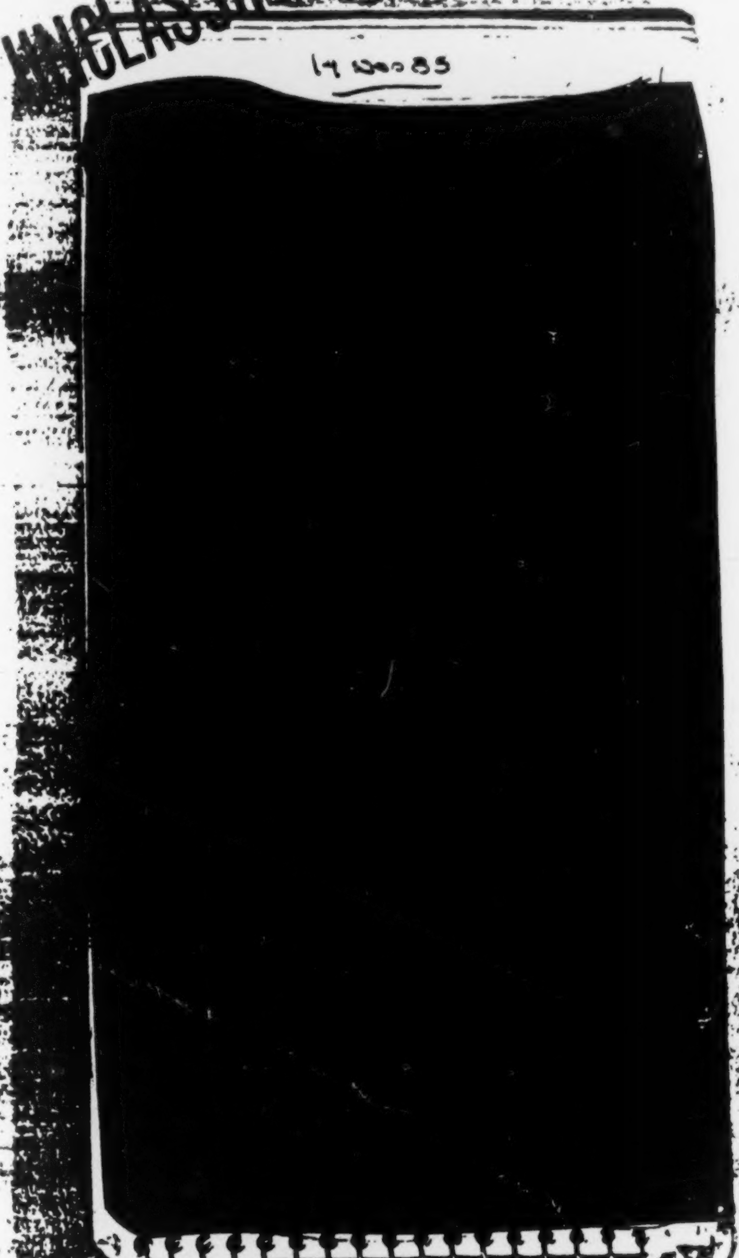
☐ – Check re Monday P.M.
Dinner w/ Noel Koch
NSR, et al.

1400 – Mtg w/ DIR
• U.S./Israel have similar aims, liabilities, vulnerabilities in Leb.

[redacted]

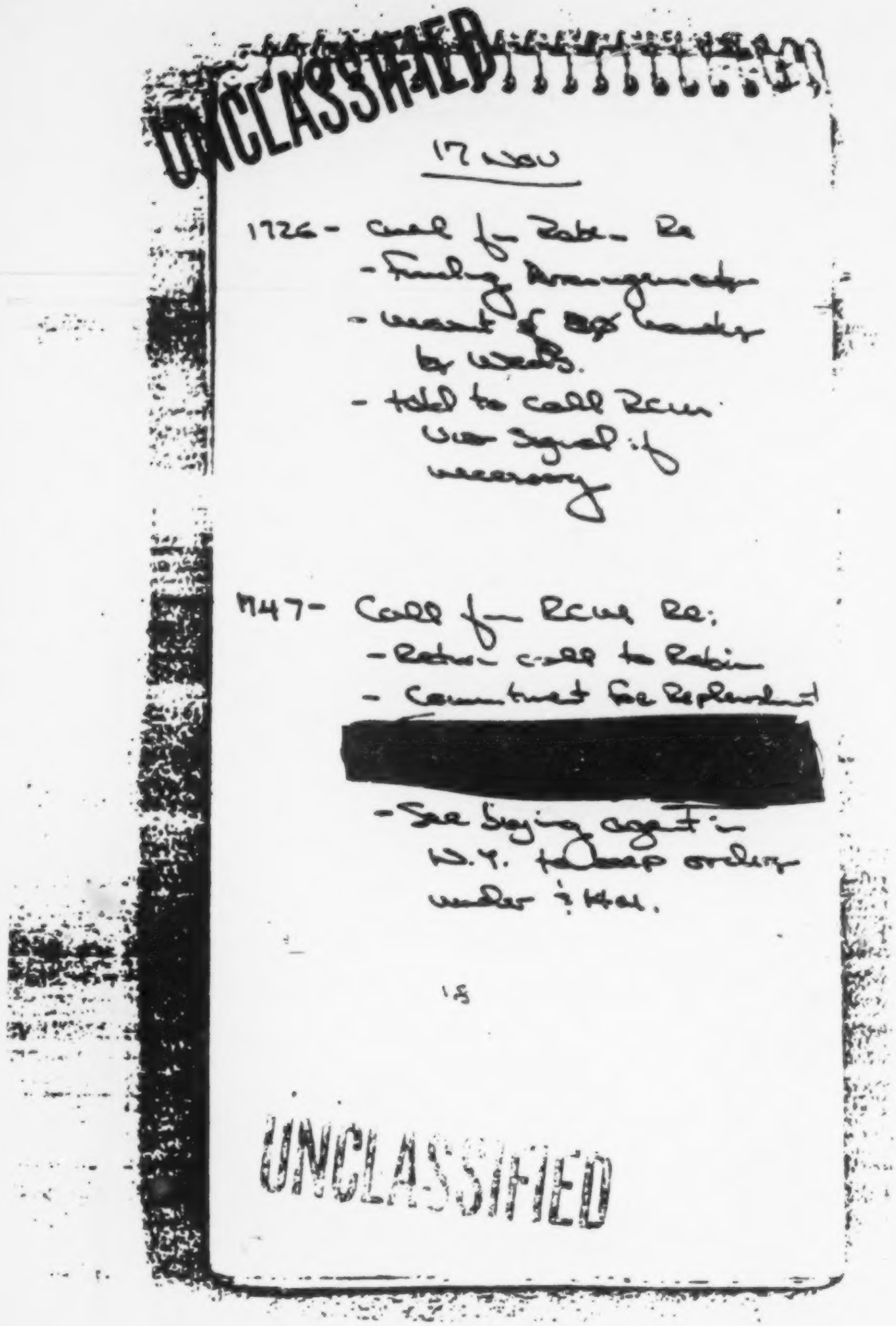
UNCLASSIFIED

UNCLASSIFIED



14 Nov 85

UNCLASSIFIED



UNCLASSIFIED

17 NOV

1726 - Call from Rob - Re
- Funding Arrangements
- Amount of 20% leaving by Weds.
- told to call RCM via signal if necessary

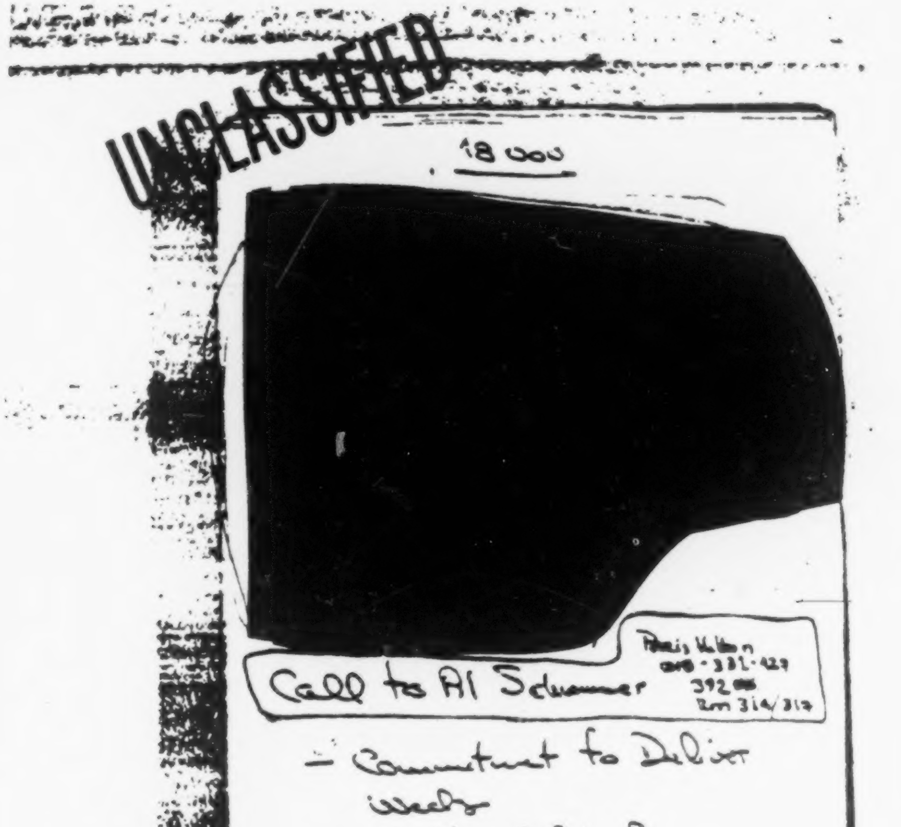
1747 - Call from RCM Re:
- Return call to Robin
- Commitment for Replenishment

[redacted]

- See buying agent in N.Y. to keep order under [illegible] Hat.

18

UNCLASSIFIED



UNCLASSIFIED

18 000

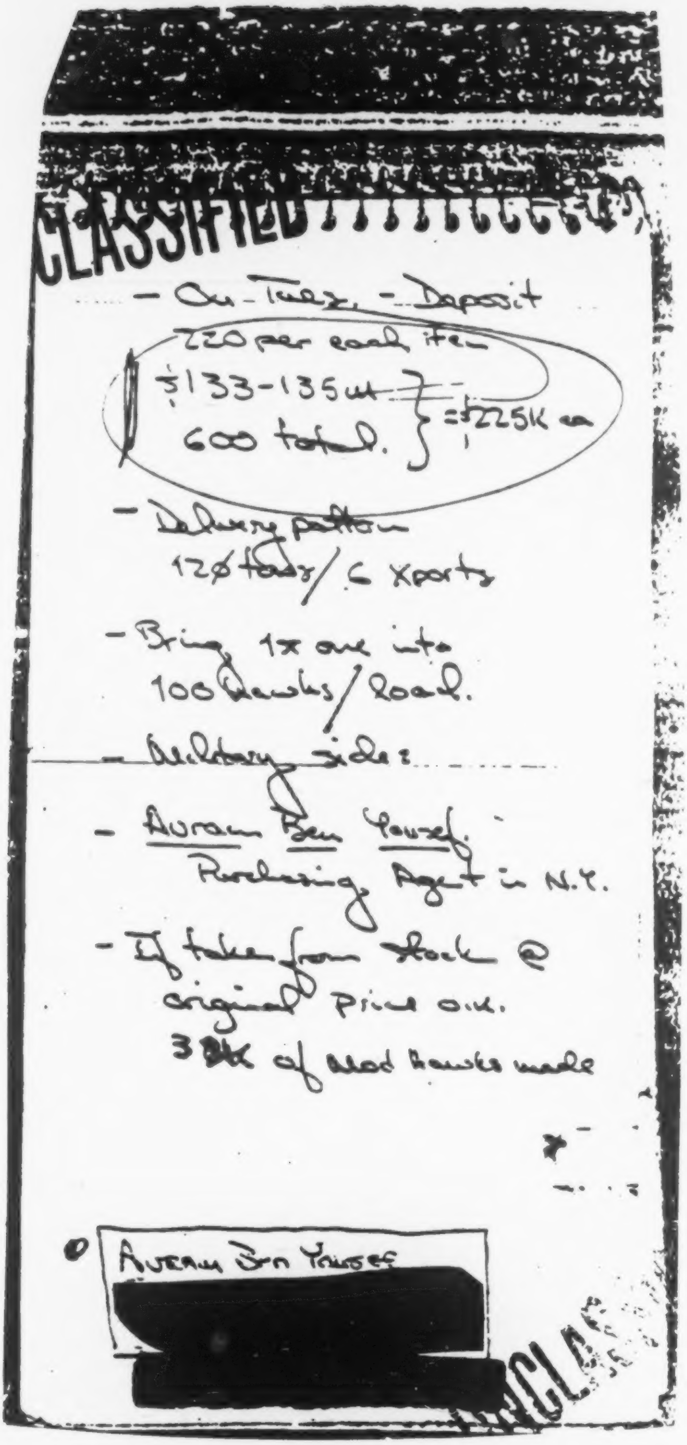
[redacted]

Call to Al Schwimmer

Paris Hilton
[redacted]-331-427
392[redacted]
Rm 314/317

- Commitment to Deliver weekly
- Can be delayed
1st load 1/6 total
approved in T.A.
- As result all boxes
- want deliver 1st xport
0730-Thu 1030
- 5 Boxes
- Series of deliveries
- next 3 or 4 days

UNCLASSIFIED



CLASSIFIED

- On Tues. - Deposit
220 per each item
$133-135 unit
600 total. } = $225K ea

- Delivery pattern
120 Hawks/ 6 Xports

- Bring 1x one into
100 Hawks/ load.

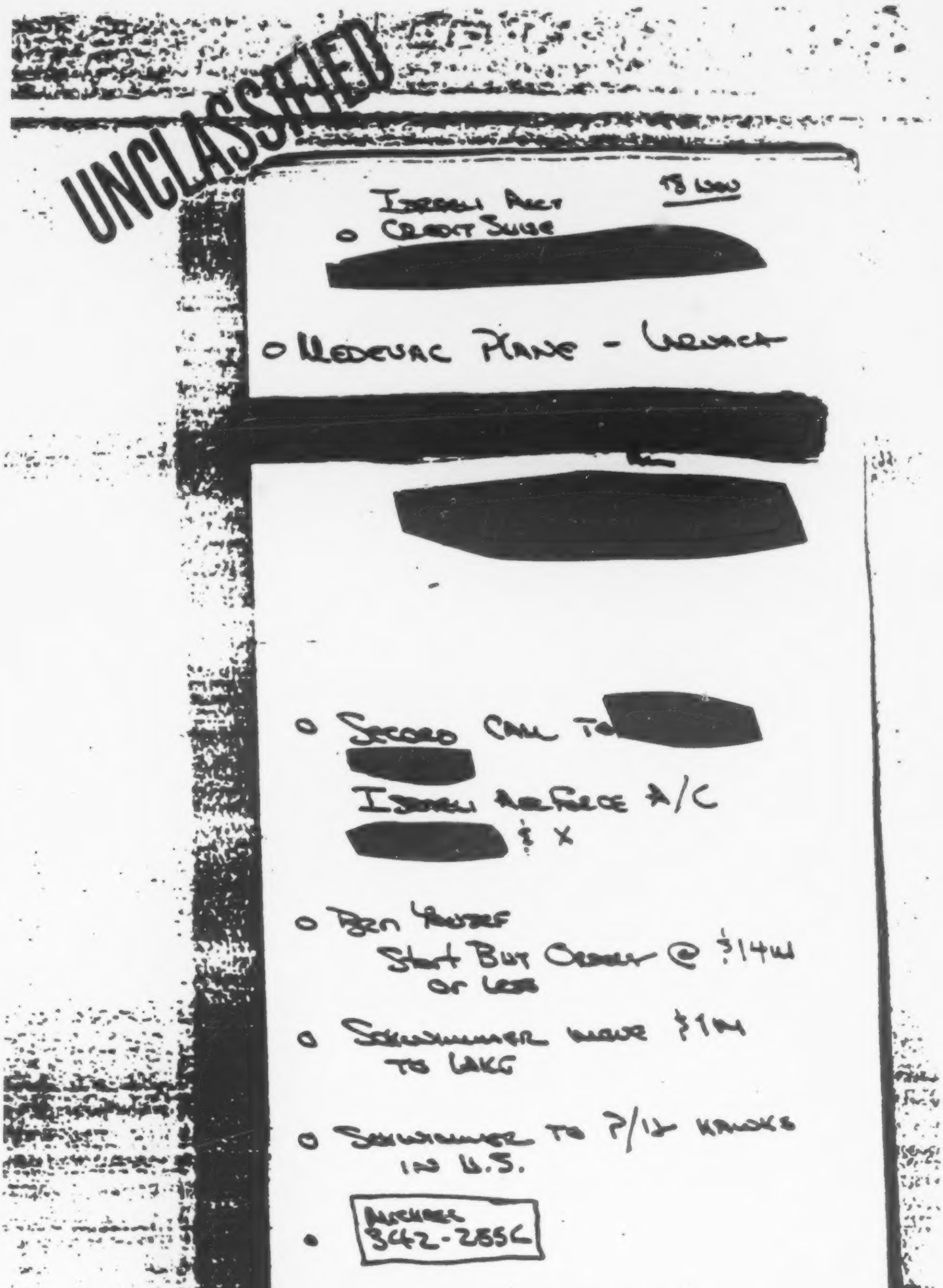
- Military side:

- Avram Ben Yousef.
Purchasing Agent in N.Y.

- If take from stock @
original price o.k.
3 Bk of old hawks made

① AVRAM BEN YOUSEF
[redacted]
[redacted]

UNCLAS



UNCLASSIFIED

ISRAELI ACCT $ MIL
- o CREDIT SUISE
[redacted]

o MEDEVAC PLANE - LEWACA

[redacted]

[redacted]

o SECOND CALL TO [redacted]
[redacted]
ISRAELI AIR FORCE A/C
[redacted] $ X

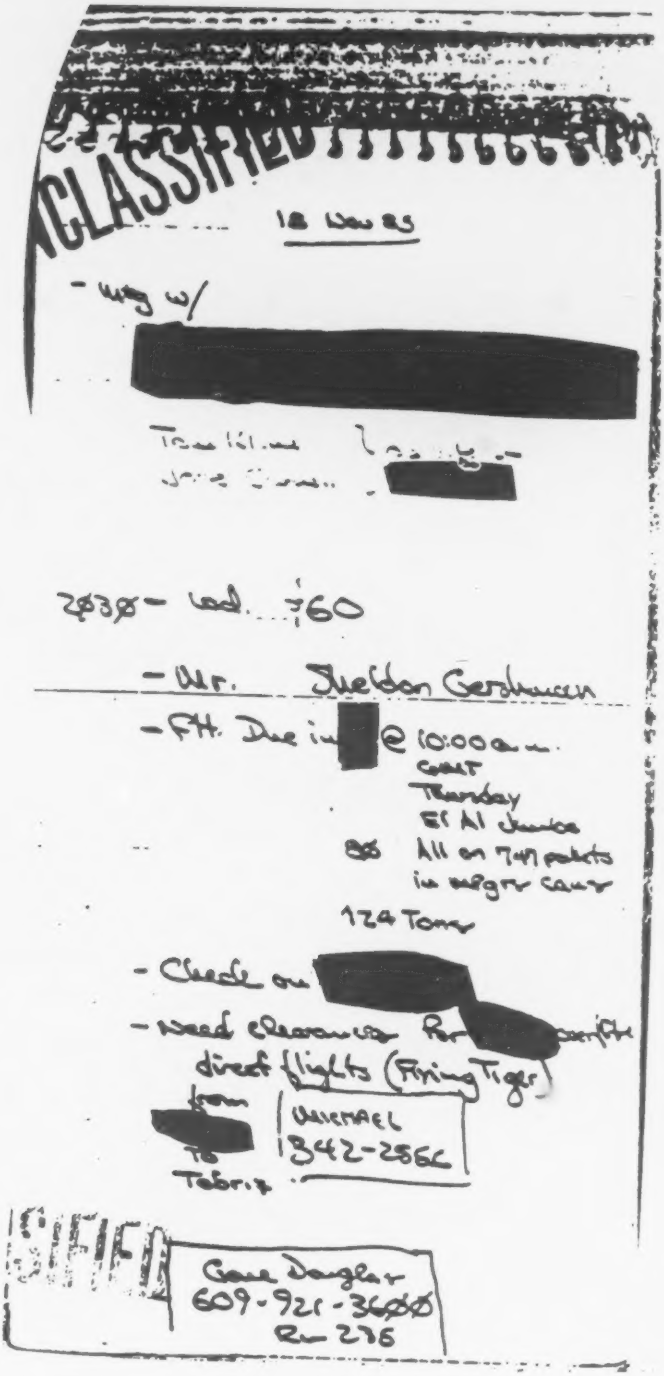
o BEN YOUSEF
Start BUY ORDER @ $14M
or LESS

o SCHWIMMER MOVE $1M
TO LAKE

o SCHWIMMER TO ?/12 HAWKS
IN U.S.

• ARCHER
342-2856

UNCLASSIFIED



CLASSIFIED

18 Nov 85

- Mtg w/

[redacted]

Tom Kline
[illegible] [redacted]

2030 - Led. ... 760

- Mr. Sheldon Gershuen

- Flt. Due in [redacted] @ 10:00 am
GMT
Thursday
El Al Jumbos
80 All on 747 pallets
in cargo cans
124 Tons

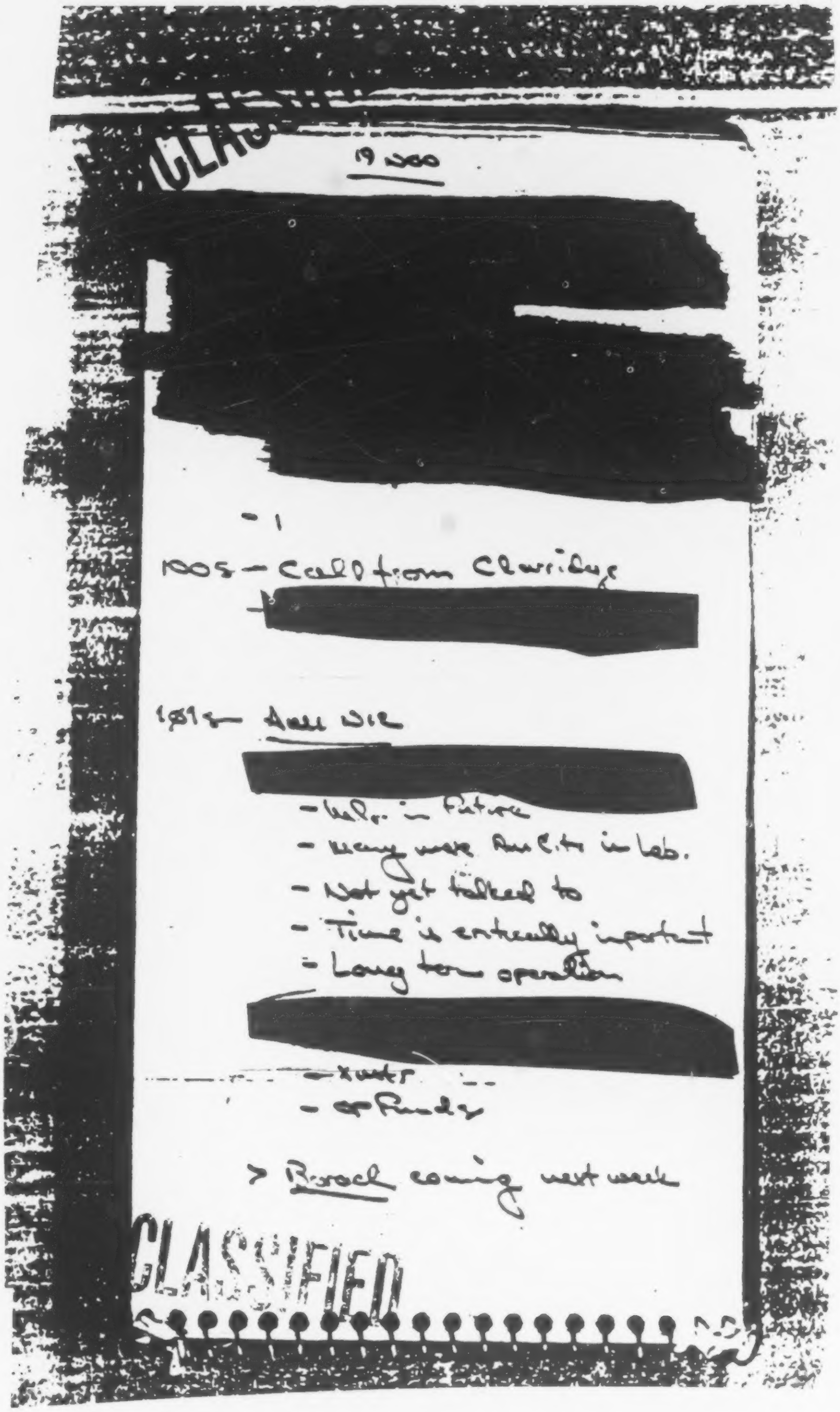
- Check on [redacted]

- Need clearance for [redacted] acft
direct flights (Flying Tiger)
from [redacted]
to
Tabriz

Michael
342-2566

SIFIED

Gene Douglas
609-921-3600
Rm 275



CLASSI

19 Jun

[redacted]

- 1

1005 – Call from Clarridge

– [redacted]

1815 – Amb Wie

[redacted]

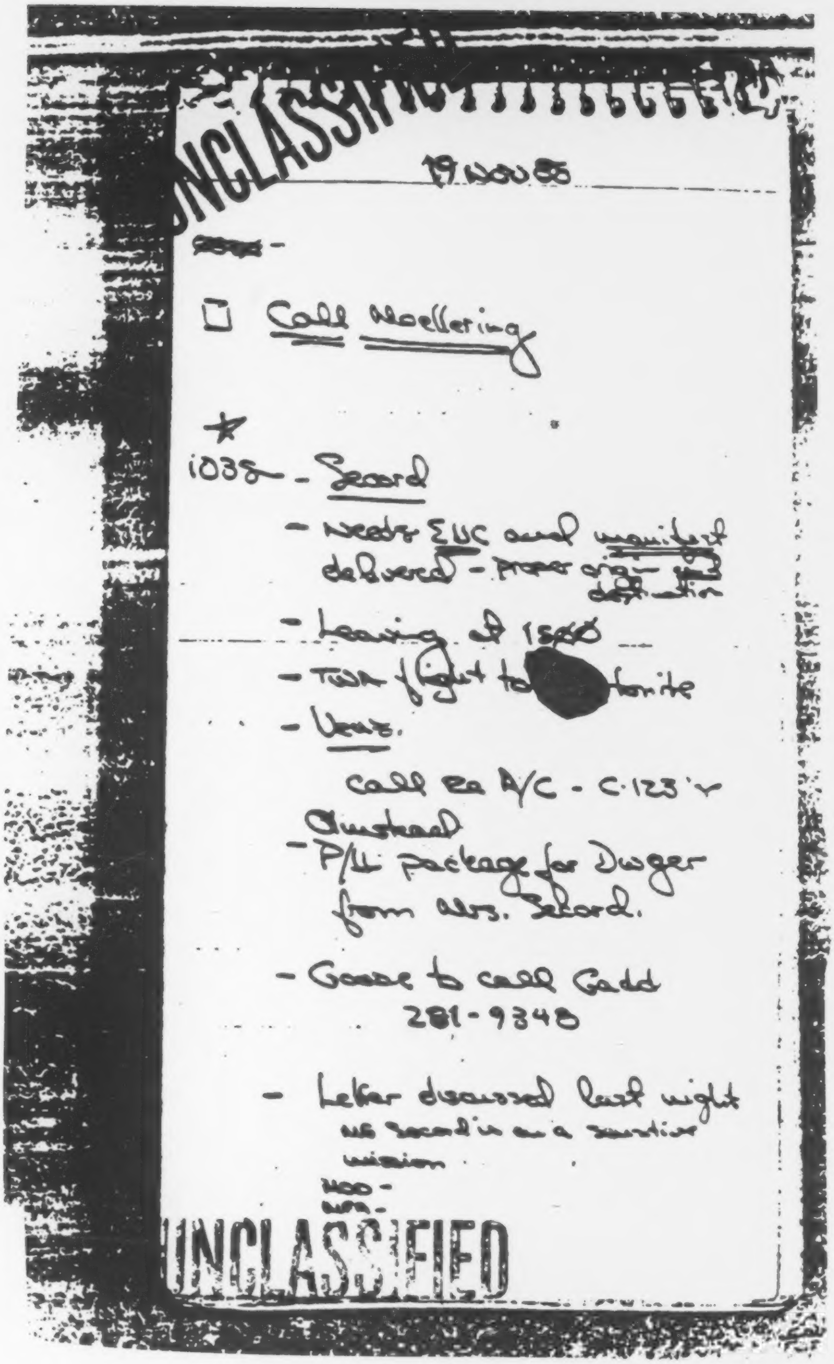
- Help in future
- Many more AmCits in Leb.
- Not yet talked to
- Time is critically important
= Long term operation

[redacted]

- Xrats
- of funds

> Brock coming next week

CLASSIFIED



UNCLASSIFIED

19 NOV 85

[illegible] -

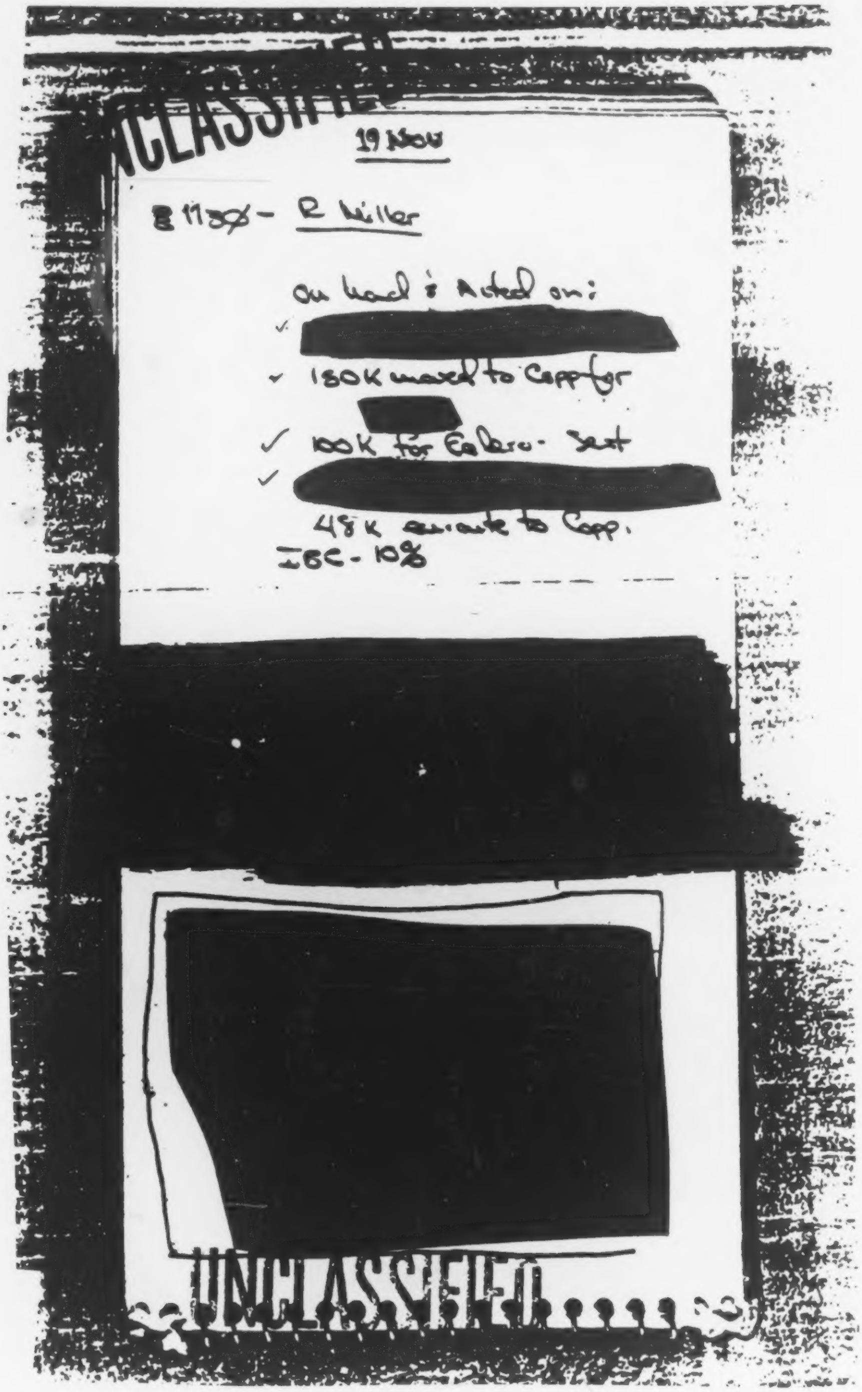
☐ Call Moellering

★
1038 - Secord
- Needs EUC and manifest delivered - proper orig- and destination
- Leaving at 1500
- TWA flight to [redacted] tonite
- Vens.

Call re A/C - C-123's
Olmstead
- P/U package for Dwyer from Mrs. Secord.
- Goode to call Gadd 281-9348
- Letter discussed last night re Secord is on a sensitive mission

Noo -
wpa -

UNCLASSIFIED



UNCLASSIFIED

19 Nov

@ 1130 - R Miller

On hand & Acted on:

✓ [redacted]

✓ 180K moved to Capp for [redacted]

✓ 100K for Calero - Sent

✓ [redacted]

48K enroute to Capp.

IBC - 10%

[redacted]

[redacted]

UNCLASSIFIED

UNCLASSIFIED

☐ Iranian Note/Picture

1415 - Crane for Main Deck Loader
for 747 needed - [redacted]

- Expedite order to
AMC - General Thompson
~~[illegible]~~ Gen. O'Connell

LOA

1430 - CALERO -

Private [redacted] Embassy

[redacted]

Tues [redacted] Embassy

[redacted]

DEF E.

P

UNCLASSIFIED

[redacted]

CLASSIFIED

19 NOV

POC IN [redacted] FOR ISRAELIS

[redacted]

1500-1645

[redacted]

1820 - Call from Al

- Asking for a quote
- TAIL # Going up 1200Z
- TAIL # P/U - [redacted]

[redacted]

- ARRIVE AFTER - El Al
- WD LIKE TO HAVE BIG BIRD.
- CALL Al
- Big Bird will
- Tel A

[redacted]

UNCLASSIFIED

NCLASSI

17 Nov 85

☐ Call back Oakley

☐ Call back Avrum - [redacted] - 212-755-3448
Ben Joseph

[redacted]

1900 - Call fm Avrum Ben Josef
— $2200/2300K each for Hawks
- Request for LOA will attract attention

- NSN 1410 00 234 3266
Part# 666 76991
Qty 600

- Normally do w/ FMS ?
- cash transfer will create severe visibility

ASSIFIED

[redacted]

LASSI

30 Nov

ANC - Gen Richard Thompson
USASAA - Maj Gen Ed O'Connell
- Col. John Richards
Wd. Refer to State Dept.
because of $ pmt.
Richards verified that
they are not in stock

- Israel has taken risks

[redacted]

Secord

0500 - 35-11-679-12[redacted]-45/6/7

1140 -

- 80 on Friday (HAWKS)
- Phone Rabin in NY.
  - √(A) Guarantee Replacement
  - √(B) Guarantee Price
- TBM Deposited
  Covers 80H @ 225K
- Deliver Boxes
- Sun 27 - 2
  27 - 3
  26 - 1

5+1 French

UNCLASS

[redacted]

UNCLASSIFIED

20 Nov

[redacted]

1930 - Call From Avraim Ben Josev
$140K for each unit
$18M ~~[illegible]~~ Deposited

Bill of Lading Problem
Bill of lading should
not show real name
of equipment

KOROLEVEZ; P. Liven

1943 - Call for [redacted]
- Haskell Rpt. tomorrow
- Deal w/ Secord
- [redacted] worked w/ 2 lawyers
- Haskell very direct
- Problem w/ N.Y. lawyer
- wants security bond = $18M
- need high powered lawyer
to talk to N.Y. lawyer

UNCLASSIFIED

UNCLASSIFIED

- Ajax - 400 more Hawks
200 SW missiles
1900 Tows

- Iranians hurting for cash

- Zoober enroute to Frankfurt
back to Geneva tomorrow

- 120 Hawks =
① SAMCITS
② Guarantee that no more

0945 - Call to Gershman
- 3 A/C committed
- Two 707's one DC-8.

1730 - Call from Copp
- Issue being debated now
by P.W.

Bob Oakley
1810 - [redacted]

UNCLASSIFIED

UNCLASSIFIED

20 Nov

Call from [redacted] (Cont'd)

- Consider having John O'Connor talk to N.Y. lawyer
- Haskell said [redacted] - gave him the $5K
- [redacted] delivered msg. that wd be getting
  - $5K for himself
  - 5K for [redacted]

On 18 Nov $15K hit [redacted] acct.

[redacted]

• Bud or George need to tell P.M. in [redacted]

•

UNCLASSIFIED

CLASSI

21 NOV

2000 Lift fr
Andrews

US - 32
[redacted]
ARMY PAD 148

1200 = Schwimmer
> Clearance Problem
> Big Bird is to depart
0100 Friday Evening
> Still no confirmed on
money having cleared.
Still not in bank. may
not be there until 2000

> 80 can be replenished
in two-weeks

UNCLASSIFIED

UNCLASSIFIED

21 Nov

> w/i - 1 wk need
48 [illegible] for

1300 - Schwimmer
- El Al: Rad negotiating for
[redacted] flight clearance for 747
- Notice says only Fo Min
can authorize
- for 1000Z take off on Friday
must be loaded by
0600Z
- Sched proposed
- 1245 Tel Aviv = 1045Z = 100[redacted]
- Arr [redacted] 1700Z
- Load 707's/DC-8's by 1900Z
- T/O (ETD) [redacted] nlt 2000Z
- T/D (ETA) Tabriz - 0300Z
- Release nlt 0600 Sat

UNCLASSIFIED

[redacted]

NCLASSIFIED

22 Nov

1330
Mtg w/ Rewer

- IF missiles are @ $160K then total cost for missiles @ $12.8M
- need $4M for operating expenses
- Ways to Designate a POC
- to ?
- Rqst call Rabin
  Waldorf 1600-1700
  212-750-9788/92
- --- ~~[illegible]~~

1600-1645 - office
1700-1900 : 212-794-0307 (sessions)
1915-1945 - Hotel
2000-2230 - Recp 212-861-2521
288-1082
(Mortimer's)

- AP
352-310
352-720
360-400
350-506
350-500

ASSIFIED

UNCLASSIFIED

21 Nov

1730 Call to Zucker
- Please call [redacted]
-

1800 - Call from Copp

2000 - Call from Dick (HOTEL)
[redacted]
oct 12
- needs name [redacted]
- Insurance Policy being implemented

Dawn - 718-459-2664

- Bank verification for deposit
- wait until clearance
-

2100 - Call from Richard Copp @ ECM
- 0930 [redacted] call NFA
[redacted]
- NFA will start mtg @ 0930 to look at clearance.

NCLASSIFIED

21 Nov

2100 - Call for Dewey.
- Richard should call
[redacted]
- No Ambassador

0730 - Call to Claridge
- Contacted Secord have li-
raise [redacted]
-

0745 - Call for Secord
- Spoke to [redacted]
- Charge'
[illegible] said
- Tell [redacted] to land, call W.

0845 - Plane T/O @ 1730 T.A. Time

0915 - Dewey. [redacted]
Sleeper

NCLASSIFIED

UNCLASSIFIED

1130 - 1725Z A/C is midpoint

Airplane to [redacted]

Req. overflight
no answer yet.

534

- Dick
1145 - 1745Z Stringing us along

1255 - Call to Aaron Ben Joseph
212-755-3448

1300 - Call from Secord
- Turned around A/C at 1255

[redacted]

1310 - Call from Thompson

[redacted]

Said he will leave

NCLASSIFIED

[redacted]

UNCLASSIFIED

21 Nov

- 1320 - Call fm D.K.
  - Identified 747
  - Calling little birds to T.A.
    - crews will know origi-

- 1340 - Call from Clarridge [redacted] advised of abort

[redacted]

1405 - Call fm Second [redacted] called [redacted]

- George' shd receive Roger channel from State
- Urge Armacost to send cable

UNCLASSIFIED

NCLASSIFIED

21 Nov 85

[redacted]

1450 - Call from Jeep
Shultz aware
no cable fm Armacost
Auth to proceed [redacted]
overflight

1505 - David K.
-03-475752

UNCLASSIFIED

[redacted]

UNCLASSIFIED

21 Nov 85

Peres w/ [illegible]

- Use of El Al 747 SP
- Short notice on clearance for [redacted]
-

203-659-3644 Samie Kaddy
212-867-8499 Bishop Allin

Rcal in Rome
46-741 - Gab, Smith

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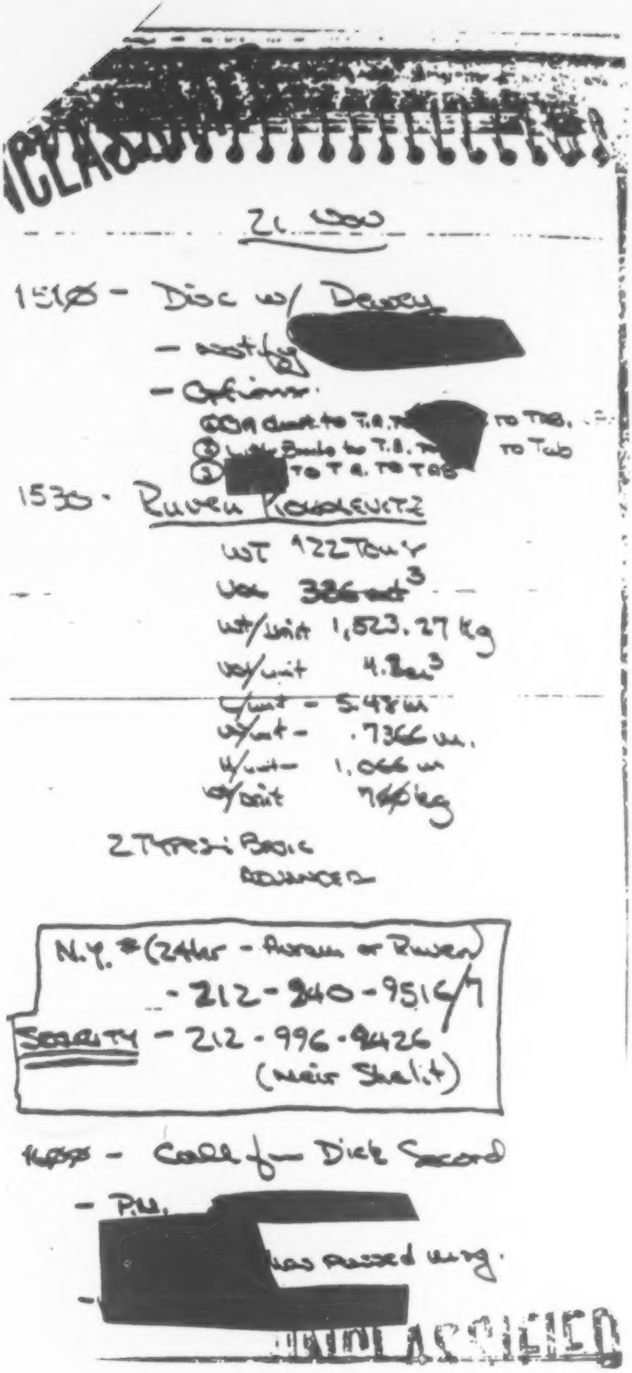

CLAS

21 Nov

1510 - Disc w/ Dewey [redacted]

- notify [redacted]
- Options:
  - ① a direct to T.A. T [redacted] to TAB.
  - ② Little Bird to T.A. T [redacted] to Tab
  - ③ [redacted] to T.A. to TAB

1530 - Ruven Koulevitz

WT 122 Tons
Vol $386 m^3$
wt/unit 1,523.27 kg
vol/unit $4.2 m^3$
L/unit - 5.48 m
W/unit - .7366 m.
H/unit - 1,066 m
wt/unit 760 kg

2 Types: Basic
Advanced

N.Y. # (24hr - Avram or Ruven)
- 212-840-9516/7
Security - 212-996-9426
(Meir Shalit)

1600 - Call fm Dick Secord

- P.M. [redacted] has passed msg.
- [redacted]

UNCLASSIFIED

[redacted]

UNCLASSIFIED

21 Nov

[redacted]

☐ Call back - Charlie

1400 - Call fm Sami + [illegible]
- Talk to

1700 - RCM re
- phone call

[redacted]

1230 - Call from Thompson
RCM just made contact
[illegible] agreed to mission in
early a.m.

UNCLASSIFIED

UNCLASSIFIED

21 Nov

1750 – Call from
Europe
~~was called~~ by [redacted] at 1700
told that:
- Cabinet reqd. formal dip note
- wd. consider only if all mission profile items explained in note

[redacted]

1800 –

Richard Copp call [redacted]
wire money
will get $
2707 cargo

– Isrl. Charge – no note

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1825 – Call from:
MOELLRING [redacted] (Page)

1830 – Call fm Dewey
– waiting on call fm.
[redacted]
– Emailed ZCM

☐ Call back [redacted]
– Walker going down

1915 – Call from Capp
[redacted]
– Most important thing is get to Dover
– If AF and Co can't P/U enough [redacted] could P/U some A/C

UNCLASSIFIED

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1930 [redacted]

2000 – Call from [redacted]
- Brian [illegible] law today
- Lawyer Ready in N.Y.C.

☐ – CALL HASKELL/OLMSTED

- Lawyer leaves for Japan 3 Dec.
- Ready early next wk or Monday P.M. 2 Dec.
- Need Green to see N.Y. Lawyer
- Preparing [illegible] arrangement for security

[redacted]

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UNCLASSIFIED

22 Nov

2020 – Copp re A/C
–$60K + fuel for [redacted]
– Overflights being worked
– one A/C on ground now

2120 – Copp
– Airline org
– 1st A/C launch @ 0130 EST
– [redacted] reports all ready for reception....
– [redacted] arr 1030 Z
ETD TA 1930 Z
ETA [redacted] 2030 Z [redacted] local)
– Hope to use local A/C for onward (707 cargo)
– [redacted] was staying on 1 A/C [redacted]

UNCLASSIFIED

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24 Nov

☐ Call [redacted] Re [redacted]

☐ 9:14 - Fix int[redacted]
- Instructions -
- Run - only one before 27th
- Corridor dangerous
- one bad only between now and 27th -
- After 27th - Proceed Regularly
- Follow-up on [redacted]
- A/C & Registry
- Coming out Do we need to Stop [redacted]

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24 Nov

[redacted]

☑ Call Don Regan
- Read Press Guidance
- Tom Dawson called back

☐ Call to Al Schwimmer
Re: A/C move

[redacted]

☐ [redacted]

☐

?

CLASSIFIED

24 Nov

[redacted]

[redacted]

Claridge

1048 – Everything ready to go

– Need $ for landing fees & fuel

– Clearance

1138 – Call from Al

1600 Z launch

4.5 hrs to T.

– File for [redacted]

– Land'g

– Refile for Tabriz

– Need: Launch time

Time to get to [redacted]rt

NCLAS

UNCLASSIFIED

123Ø

24 pow

[redacted]

Dewey [redacted]

Cvro - [redacted]

Rm 3Ø6

waiting for [redacted] fm [redacted]

[redacted]

[redacted]

1310 - Schwimmer

ETD - 2200Z →

- 2230 →.

- 24ØØ → ØØ3Ø

UNCLASSIFIED

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24 NOV

1654
- Dick Copp
  - Spent 750K in [redacted]
  -

1751 Call from Schwimmer
A/C on ground in [redacted]

★

1752 - Called to/from Clarridge
- no manifests provided
- [redacted] says that they have hope of finding way out.
- [redacted]

2045 - Call back to Gene Douglas
- Call Samir → 203-637-3644

2030 - Call to AP:
- A/C launched
- Release?

2045 - [redacted]
- N.Y. Air - Arr Approx 5:30 P.M.

UNCLASSIFIED

[redacted]

UNCLASSIFIED

23 Nov

☐

0720 - Call fm Dewey
- A/C

[redacted] have been told
not to use [redacted]

[redacted]

⇒ Cargo must be listed
as machine parts
~~spares~~ for oil industry.

[redacted]

0750
[redacted] - Clarridge

[redacted]

Call ~~more~~ Schwimmer
no more flt plans
until we tell you.

① Cargo manifest - machine parts
② No more ~~manifest~~ flt. plans
until

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25 Nov

1025

Haskell - 952-0088

- Need lawyer in N.Y. asap

1030 - Call to Schwimmer/Clarifying

— — 2 hrs. for T/O of flt

— Round trip

— If notified R/T
Suggest file: [redacted]

— Same hotel for & Greek

— Shd. have delivery — next hour.

1115 — Haskell

1130 — Col Sect
— wants L100

659-2400 - Tom Green

UNCLASSIFIED

[redacted]

UNCLASSIFIED

25 Nov

[redacted]

1220 - Call from Cedric
- Jacob said that wh.
had been given to
- Bakers

Dieter Kunche - Tel. 5475-752(H)

Dewey
1300 - Air [redacted]

Rec'd clearance for
. 27th

Need:
Ample time for normal
response

UNCLASSIFIED

UNCLASSIFIED

Khaki
Blond
med wt
horn rimmed
Aviator

Jim Sinclair - Texas
Brown Cords

[redacted]

[redacted]

7

Col East: 703-938-5212

UNCLASSIFIED

[redacted]

UNCLASSI

28 Oct

0005 — Call from Claridge
- Summoned in by Clair/McMahon
- "This is criminal"
- Told Agency was "freight forwarder" by Dewey
- JMP call to McMahon/Clair?
- Told of problem created by Israelis.

0100 — Call from Charlie
-

0108 — Call from Schwimmer
- A/C took off fm capital at 2300Z
- Told Greek & Jacob that they were not playing anymore
- Greek thinks we're right. we were

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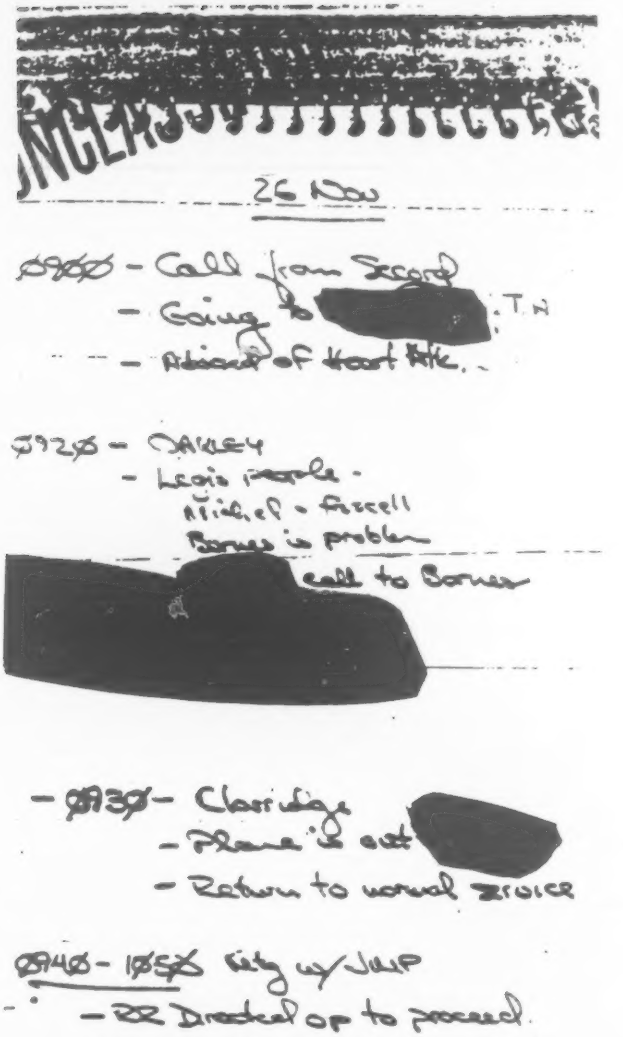


26 Nov

0900 - Call from Secord
- Going to [redacted] T.N
- Advised of Heart Atk.

0920 - OAKLEY
- Lewis people -
Mitchel - Fiscell
Barnes is problem
[redacted] call to Barnes

- 0930 - Claridge
- Plane is out [redacted]
- Return to normal service

0940 - 1050 Mtg w/ JMP
- RR Directed op to proceed.
- If Israelis want to provide they should, then we will replenish
- We will ensure wpt over amount if yr side cannot do
want have one of our people in on all activities

[redacted]

26 Oct

1100 - Call from Clair

Sporkin has decided that the CIA needs a finding to sup

Nervie
Samir
~~1400~~ 1800

1130 - Tufik w/

[redacted]

1930 Mtg w/ V.P., Terry Waite, Bishop Allin, Samir Habiby, Murray Dickson, JMP, Don Gregg Parker Borg, Craig Fuller, Don Jones,

[redacted]

UNCLASSIFIED

26 Oct

T.F.
- [illegible] - In Unclas version of Report
note probs of Family mtgs.

① Date [illegible] Arms deliveries

② [illegible] off to C.B.

③ Ask: - Aircraft [illegible].

[illegible] - Call from Corp in [redacted]
[redacted] wants corp to go to
[redacted] for
- Tell [illegible] to [illegible] L.100.
- Paid [redacted] M27K
- Paid [redacted] 2186K

27 Oct

1300 - Call from D.K.
- want to see specs
-

UNCLASSIFIED

[redacted]

UNCLASSIFIED

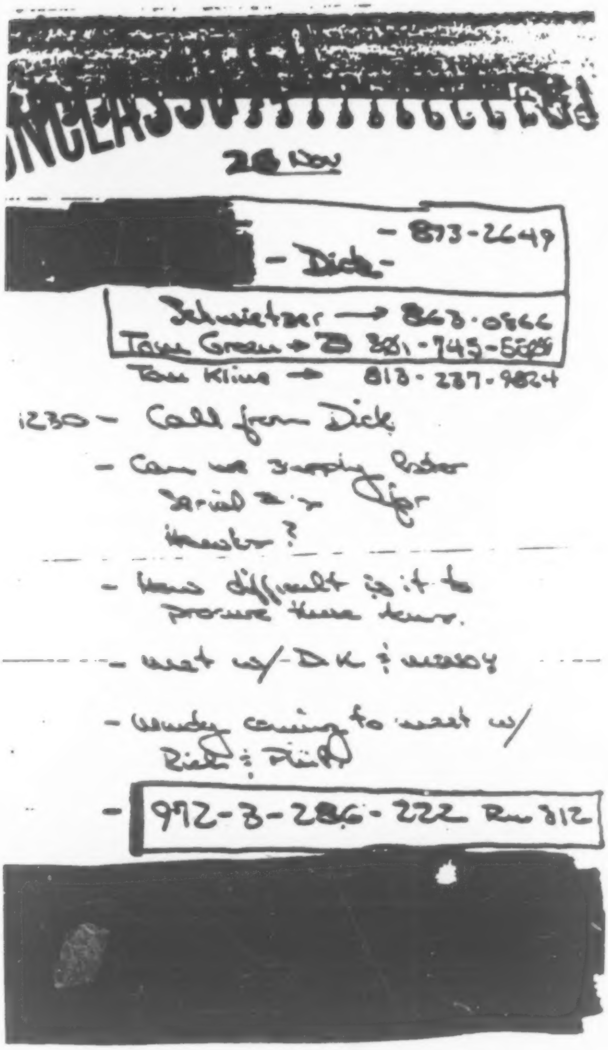
8 Oct

2 NSPG mtgs.
- People mtg/decision [illegible]

1530 - [illegible] mtg
- Copp or D.R. tell
Iranians we are disappointed that they perceive we
- were dealing in bad faith.
- Not the case, we had nothing to do w/ the implication that we did not deliver what had been agreed to.

- Change of team to assure that

- Need have all on 1x Delivery. Sit. in Lebanon could prohibit delivery of others.
- Reiterate commit for no more terror
- commit to no more than 120
- Dick to check dates (·76)



26 Nov

[redacted] - 873-2649
- Dick -

Schweitzer → 863-0866
Tom Green → 301-745-5[illegible]
Tom Kline → 818-237-9824

1230 - Call from Dick

- Can we supply Israeli serial #'s for Hawks?

- How difficult is it to procure these items.

- Meet w/ DK & Woody

- Woody coming to meet w/ Rich & Phil

- 972-3-286-222 Rm 812

[redacted]

UNCLASSIFIED

[redacted]

28 Oct

1515 - Call from [illegible].
- contact made w/ [illegible]

1520 - [illegible] [illegible]
[illegible] [illegible]
[redacted] - 141.0 - 707 - [illegible]
[illegible] [illegible] [illegible] [illegible] [illegible]
141.0 - 00 - [illegible]

[redacted]

[redacted]

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1 Dec

Mtg. w/ Clarr - [redacted]
Iranian

☐ Party returned to Frankfurt

- Jacob Nimrodi Stayed. Did know whereabouts.

- Security problems.

- Gorbanifar - Zamani P.M. office
  - Persian

  - 3 principal movements in Iran have converged into 2

  - Israeli objectives: contradiction & conflict and more moderate Iranian govt.

[redacted] willing to work w/ us.

- In Tel Aviv.
  - Meron & Kimche
  - mtg w/ RR - house near Tel Aviv.
  - mtg w/ [redacted] IAF - missile good. ([illegible]) + [illegible]

*- Call Dewey -
  ① Location of Customers in Frankfurt
  ② Have Mindy Meron call re mtg.

* Need paper which describes various versions of Hawk, mods, capabilities

- Proceeded to Paris mtg.
  - Nimrodi & Am. George [illegible] briefed.
  - [redacted] mtg. Gorbanifar angry.
  - Gorbanifar - very concerned about [illegible]

UNCLASS

1 Dec

- Coord Mtg (cont'd)
- Rabin mtg.
  - Govt. wants something to deal w/ Soviet Recon.
    wanted to threaten Soviets
    (Israelis threat re their 28's)
    wanted Phoenix/Harpoon.
  - 5 options
    ① • 600 TOWs = 1 release
    1st 6 hrs later = 2000 TOWs = 3 release
    1st 23 hrs = 600 TOWs = [illegible]
    ② Same as option ① except substitute dragons for some TOWs
    ③ 1 Jumbo @ H-hr w/ 2K TOWs = 3 host.
    30 [redacted] Hawk @ H+20 = 2 host
    ④ 600 TOWs
    ? spares for F-4; comms; ground arty.
    ⑤ Rockets, spares, F-4 parts, comm gear
    Maverick - spares; test equip.
  - Rev Guards stole first 500 TOWs.
- 2-3 wks after successful release:
  we wd work to deliver add'l. spares;
  tac radios; techs; armored veh spares;
  155mm Tank ammo.

- Probs: • Up the date. (~~Phoenix~~)
  - Jumbo ~~may~~ not be avail.
  - Air crews
  - Play games w/ bankers.
  - RR & Co. - withold $
  - IDF release of equipment
  - Election progm.

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UNCLAS

Caro

* Wed Saturday - Hilton hotel - London.

Points — 0830 - 0900

- Firm Schedule
- Committed A/C
- I Hawk Tech Data.

Dan: 972-2-52108; (o)
972-3-495352 (H)
972-3-499547 (H)

I.D.E. LTD.

Col. (Res.) JACKOB NIMRODI

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Tel. 03-25 24 21/2 · Tlx: 341298 NIMR IL
Res: 8 Hapoerot St. Savyon 56526, Israel
Telephone: 03 - 34 88 84

London: 62 Montrose Court
Exhibition Rd. S.W. 7
~~Tel.: 01-589 9183 / 01-584 4875~~
Office Tel.: 01-581 1100 / 01-584 8238

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Tel. 03-25 24 21/2 · Tlx: 341 298 NIMR IL
Res: 8 Hapoerot Street, Savyon
P.O.B. 2042 Savyon 56526 Israel
Tel. 03-34 88 84

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[redacted]

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2 Dec

0930 - Call from Bill Haskell
- Request to post cash bond
- Tom Green 202-659-2450
- Deal in, might decide to expand,
- Bill to call Copp re delivery to Willi —

☐ Call to D.K.
- Passes for Customers
- Tell Wendy to call me

[redacted]

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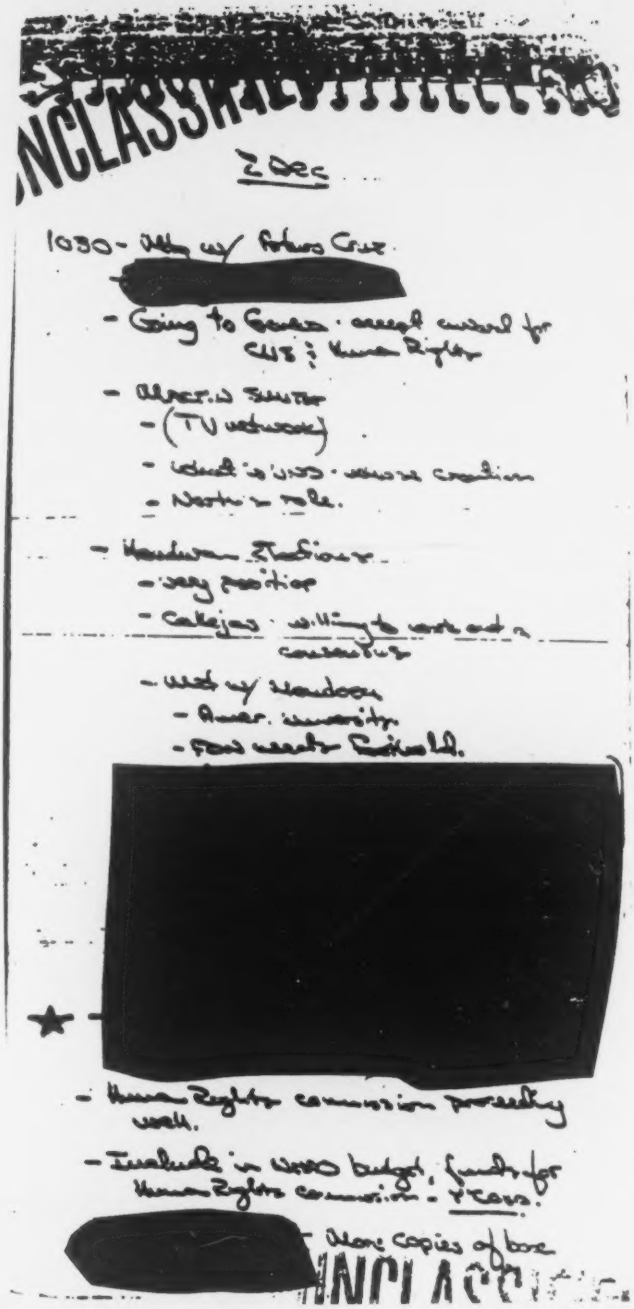

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2 Dec

1030 - Mtg w/ Arturo Cruz

[redacted]

- Going to Geneva - accept award for CUS & Human Rights
- [illegible]
  - (TV network)
  - What is UNO - where is coalition
  - North's role.
- Honduran Elections
  - very positive
  - Callejas - willing to work out a consensus
  - Mtg w/ [illegible]
    - Amer. university.
    - Four weeks [illegible]

[redacted]

★ -

- Human Rights commission proceeding well.
- Include in UNO budget funds for Human Rights commission - 4 Years?

[redacted] - More copies of boo

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[redacted]

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2 Dec

Mtg w/ Arturo (cont'd)
- Talked w/ [redacted]
  - Under pressure from [redacted] & other moralists to arrive at political sol.
  - [redacted] probably wd. not accept total political accomodation.
  - To cut out BOS, offer negotiations w/ FSLN led by

1150 – Mtg w/ JMP:
- Trip Weds P.M. Depart
  Thurs P.M. Return
- Armitage as fallback -

Weekly Nooner
1540 – Staying [redacted]
Rm 321

w/ [illegible] [illegible]

[illegible] - [illegible] [illegible]
- Green is in Sheraton Hotel
  in Frankfurt thru tomorrow

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NCLASS

16 Dec

[illegible] - Call from Copp 41-22-34-60-92 Rm 1202

☐ Call East Br

[redacted]

- Paul (Kimche) trying to reach Copp.
- Nimrodi wants 18 Hawks removed.
- Nick coming to London week from -

[redacted] will be out in less than 2 wks -- need to meet

☐ Call Kimche

[redacted]

☐ Wed's announcement
- 2 Soviets [redacted]
- FAL Central Command [redacted]
- ammo, radios

$30K/-

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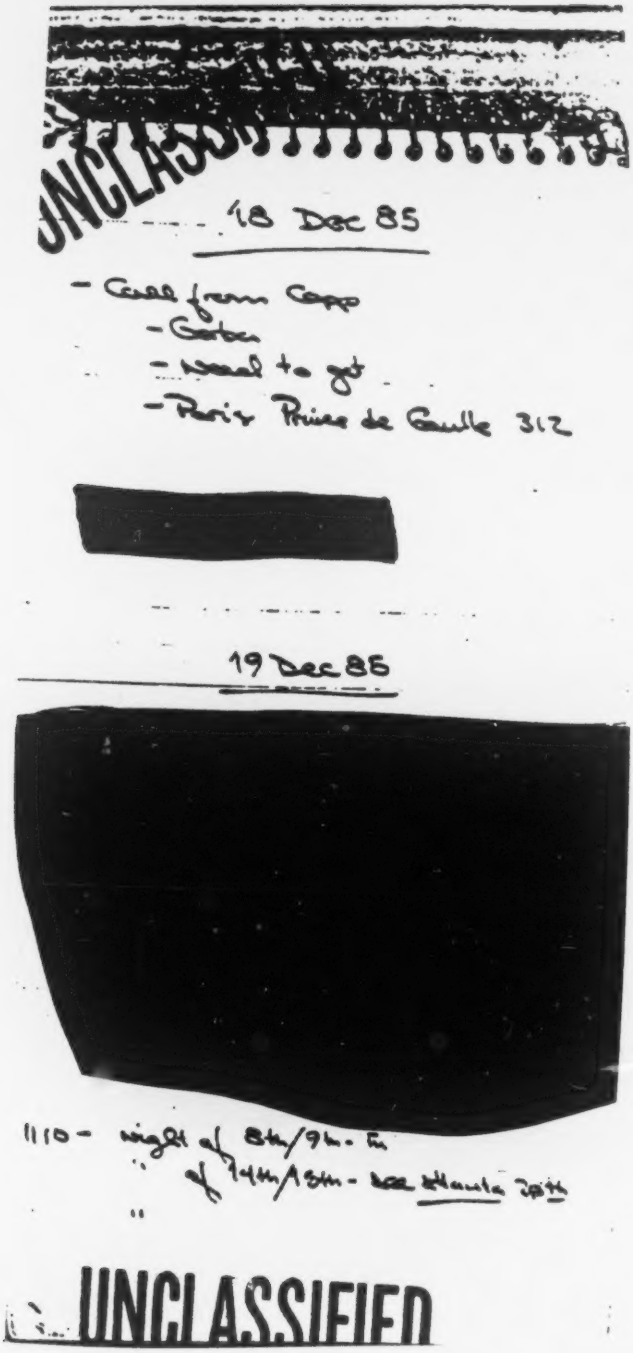

UNCLASS

18 Dec 85

- Call from Copp
  - Gorba
  - Need to get
  - Paris Prince de Gaulle 312

[redacted]

19 Dec 85

[redacted]

1110 - night of 8th/9th - Fri
" of 14th/18th - see Manila 20th
"

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LASSIFI

2 Jan 85

0830 Mtg w/ Amb [illegible] - [illegible]

[illegible]

[redacted]

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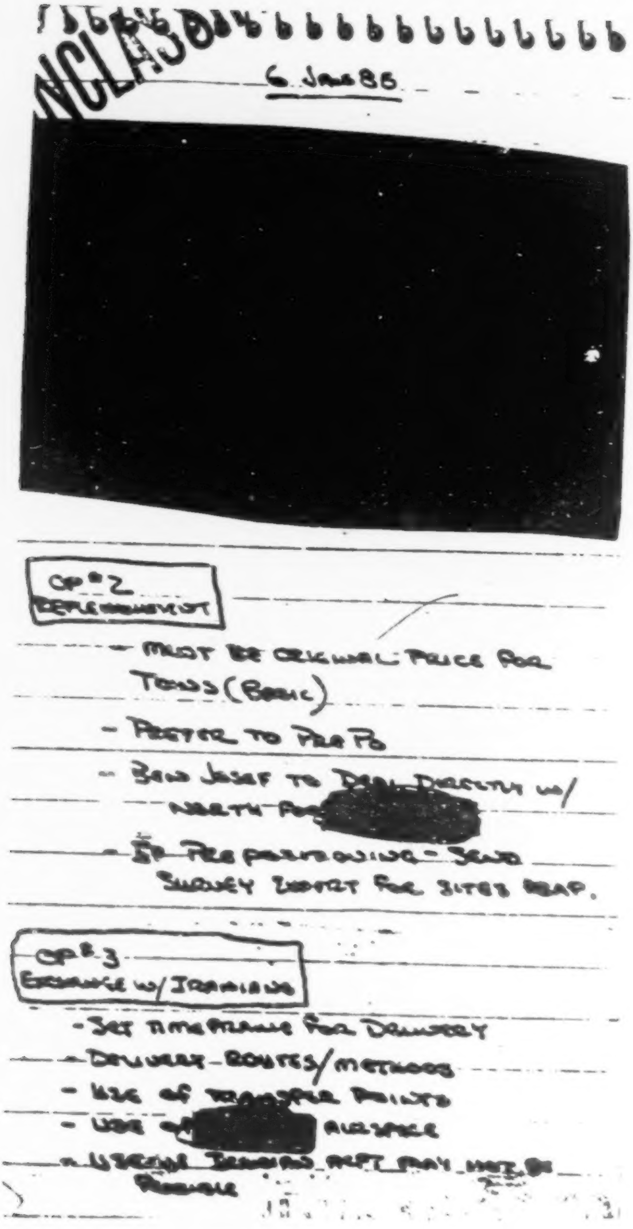

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6 JAN 86

[redacted]

OP #2
REPLENISHMENT

- MUST BE ORIGINAL PRICE FOR TOWS (BASIC)
- PREFER TO PAY PO
- BEN JOSEF TO DEAL DIRECTLY w/ NORTH FOR [redacted]
- IP PREPOSITIONING - SEND SURVEY EXPERT FOR SITES PREP.

OP #3
EXCHANGE w/ IRANIANS

- SET TIMEFRAME FOR DELIVERY
- DELIVERY ROUTES/METHODS
- USE OF TRANSFER POINTS
- USE OF [redacted] AIRSPACE
- USING IRANIAN ACFT MAY NOT BE FEASIBLE

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[redacted]

8 Jan

NR MTG - Cont'd

[redacted] office

name

Mcco [illegible] Defense [illegible]/[illegible] Co

Reimbursement method

Timing of [illegible]

1630

RIG MEETING - Abrams, [illegible], D. [illegible]
Gen Moellering, Bob ___
Col [illegible] North, Michel,
Walker, [redacted] Sanchez, Burghardt.

[redacted] PR [illegible] [illegible]

[illegible] Part.

[redacted]

UNCLASSIFIED

UNCLASSIFIED

7 Jan

[redacted]

1425 - Call from Ledeen

- Al & Jacob both here in D.C. -- met w/ JWP yesterday

- Nick has package w/

[illegible] - Mtg w/ JWP

- Can Israel live w/ "no comment" if exposed?

-

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CLASSI

7Jan78

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Reduction - 34.8M = 4800

① Ben Yandes

- Freight [illegible] at Date (when

Determined by him

- IP needed, we

- Incorporate Revenue by 4800

- Break into lots of less than

Cong. limit

- Bare out to regional oil

SAPRO

5

9 Jan

UNCLASSIF

[redacted]

1200 - Call for ~~[illegible]~~ NIR

- Question of price
  - DoD using replacement price
- Need $6M for
- $10M total
  - 2.5 to Ops
  - 1.5 to Gorba
  - $6M avail for 4500
- Koch to call Ben Yousef
- Found their own channel for deliveries
  - might need some $

$4 94 42 4
$ 1 L 0 7

UNCL

10 JAN 86

1830 - Call from Copp

[redacted] found on a/c

"Temp"

EAST - 281-8970

1900 - Call fm Noel

Two Options:

- Sell I TOW to Isr; at cost

125,840 TOTAL (Basic; I TOW; TOW II

20,656 I TOW on hand

Call fm Bob; [redacted] acity to use

[redacted]

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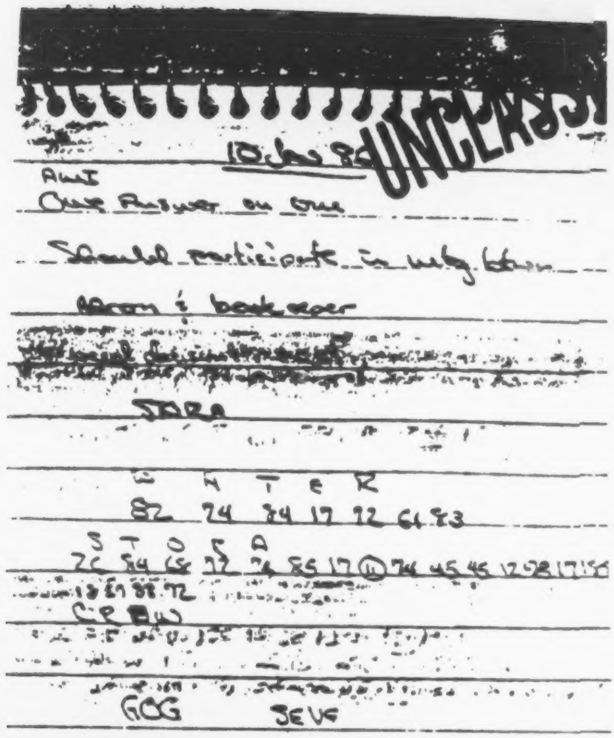

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10 Jan 86

AWI

Our Answer on one

Should participate in mtg. btwn

Abram & bookeeper

[illegible]

SARA

W H T E R

82 74 84 17 92 61 83

S T O R A

76 84 68 92 74 85 17 ⑪ 74 45 45 12 98 17 56

18 87 88 72

CR BW

GOG SEVE

A Now U.S. gov So. 707

[illegible]

[redacted]

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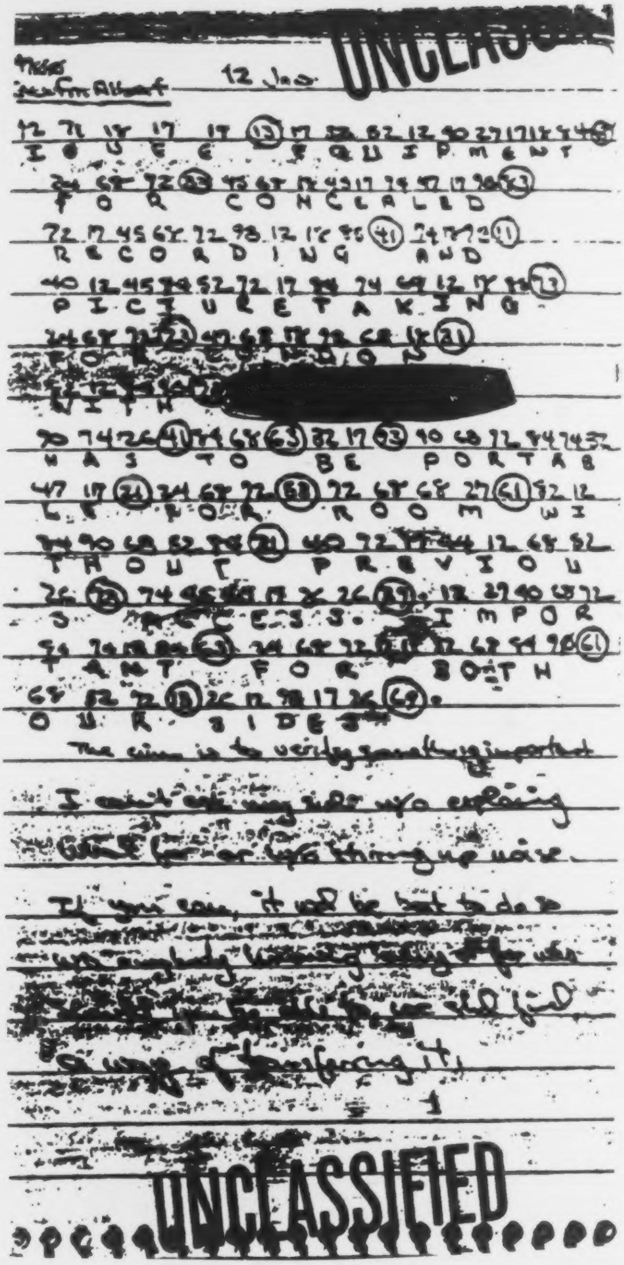

[redacted]

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[illegible]
Msg fm Albert 12 Jan

72 71 18 17 17 (13) 17 58 52 12 90 27 17 18 54 (45)
I [illegible] U E E E Q U I P M E N T

24 68 72 (33) 45 68 17 45 17 74 57 17 90 (53)
F O R C O N C E A L E D

72 17 45 68 72 93 12 18 95 (41) 74 17 72 (11)
R E C O R D I N G A N D

40 12 45 84 52 72 17 84 74 69 12 18 95 (23)
P I C T U R E T A K I N G

24 68 72 (23) 47 68 17 72 68 18 (21)
F O R [illegible] O N S

[illegible] [redacted]
W I T H

90 74 26 (41) 84 68 (63) 32 17 (23) 90 68 72 84 74 52
W A S T O B E P O R T A B

47 17 (21) 24 68 72 (53) 72 68 68 27 (61) 52 12
L E F O R R O O M W I

84 90 68 52 84 (21) 40 72 17 44 12 68 52
T H O U T P R E V I O U

26 (23) 74 45 45 17 26 26 (33). 12 27 40 68 72
S A C C E S S. I M P O R

84 74 18 84 (23) 24 68 72 (41) 17 68 84 90 (61)
T A N T F O R B O T H

68 52 72 (13) 26 12 93 17 26 (69).
O U R S I D E S

The aim is to verify something important

I can't ask my side w/o explaining

[illegible] for or w/o stirring up noise.

If you can, it will be best to do so

w/o anybody knowing really [illegible] for what

[illegible] we should find

a way of performing it.

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13 Jan

Call from Noel Koch

-783-8268

- $6300 in 1975

- Gave him copy of Craig [redacted]

Noted 10 ~~[illegible]~~ FMS Sale

- Once we have agreement, Israelis will send 1st 500 for their stocks

- $20-24M avail to cover all transaction - to include xport.

- Almost make as much as cost.

- Need to talk [redacted] how fast we can ship FOB.

- Try to get [illegible] by [illegible] [redacted] this matter, deal w/ 504 after hostages are

[redacted]

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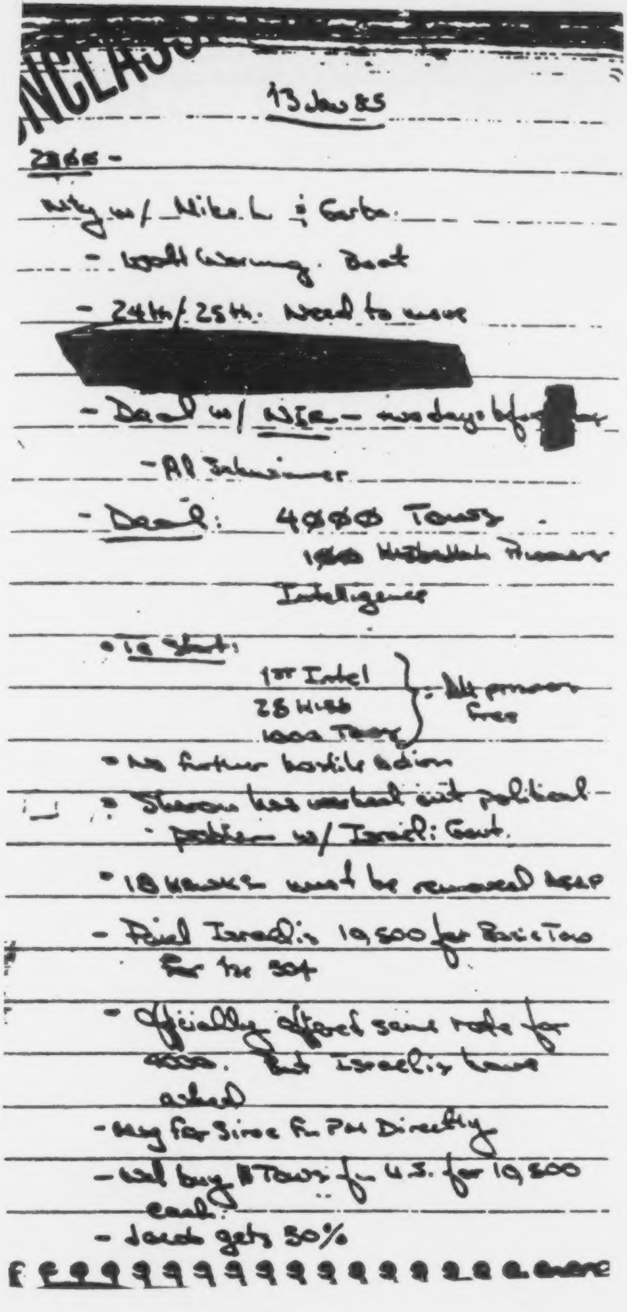


13 Jan 85

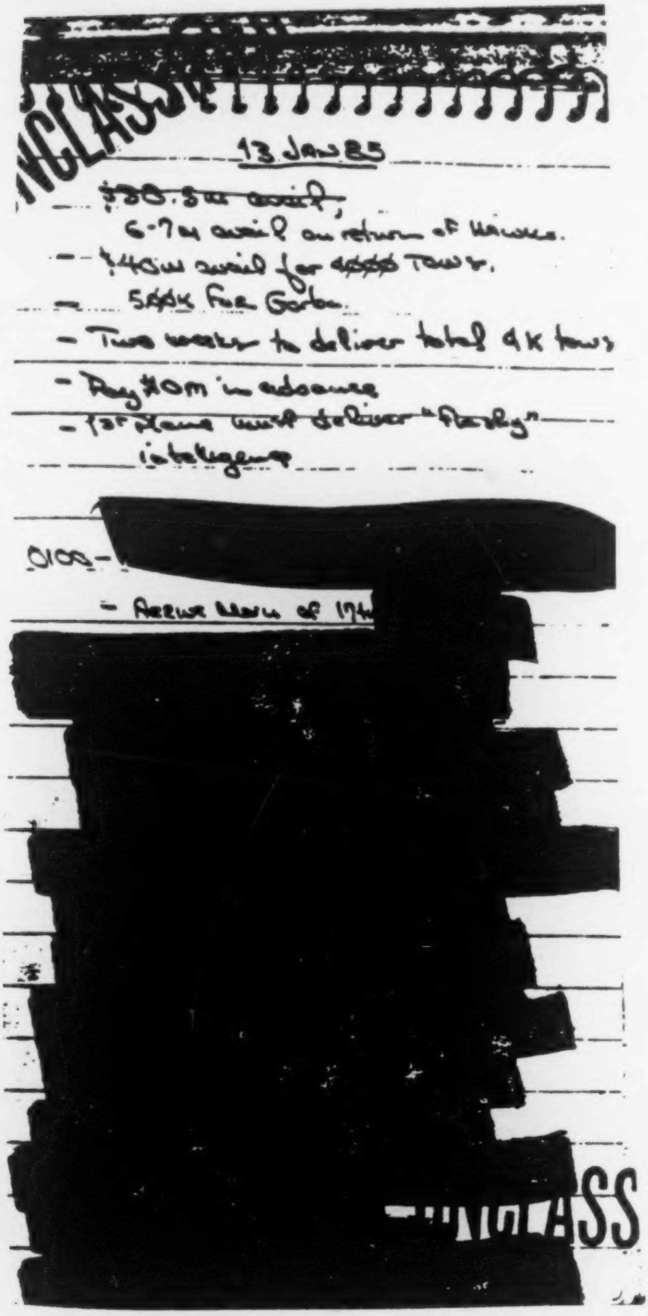
2300 -

Mtg w/ Mike L. & Gorba.

- Wait Warning. Boat
- 24th/25th. Need to move

[redacted]

- Deal w/ NIR - two days bef[redacted]
  - Al Schwimmer
- Deal: 4000 TOWs
  - 1000 Hizballah Prisoners
  - Intelligence
- To Start:
  - 1st Intel
  - 25 Hawk
  - 1000 TOWs
  - : All prisoners free
- No further hostile action
- Sharon has worked out political problem w/ Israeli Govt.
- 18 HAWKs must be removed ASAP
- Paid Israelis 10,500 for Basic TOWs for the 504
- Officially offered same rate for 4000. But Israelis have asked
- Pay for Stores fr. PM Directly
- Will buy # TOWs for U.S. for 10,500 each.
- Jacob gets 30%



NCLASS

13 JAN 85

- ~~$30.5M avail~~,
  6-7M avail on return of Hawks.
- $40M avail for 4000 TOWs.
- 500K for Gorba.
- Two weeks to deliver total 4K TOWs
- Pay $10M in advance
- 1st plane will deliver "Early" intelligence

0100- [redacted]

- Arrive Wash of 17th [redacted]

UNCLASS

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13 Jan

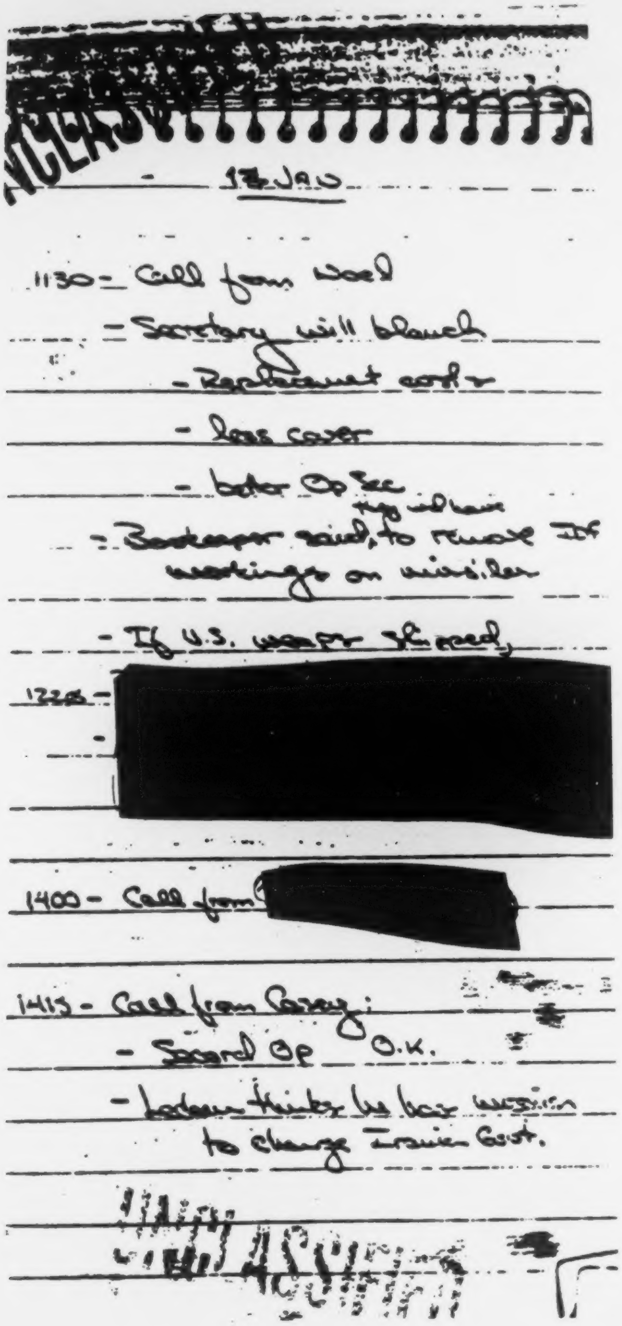
☐ Call Copp-
Need to bring Dec. & Jan for
[redacted]

Richard only - wknd
Bring note - from RR to John D.F.

14 Jan

☐ Call to Noel
- License to Dick ?
- Sell Tower to Dick
- Gorton to Xfer & to Dick
- Dick to Xfer & to Pentagon
- Dick to P/As 1= land - dtl. [illegible]
- Need Intel

1000 Mtg - w/ Walt - No Rep
- 19th UNO declaration of principles in Caracas.
19 Jan - 5 Feb - UNO trip to explain
Elliott A. to support w/ Domestic Pres
Armacost support for SCP 2.



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17 JAN

1130 – Call from Ward

– Secretary will blanch

– Replacement cost

– less cover

– better Op Sec

they will have

– Bookkeeper said, to remove IF markings on missiles

– If U.S. weapons shipped,

1220 – [redacted]

1400 – Call from [redacted]

1415 – Call from Casey:

– Second Op O.K.

– Ledeen thinks he has mission to change Iranian Govt.

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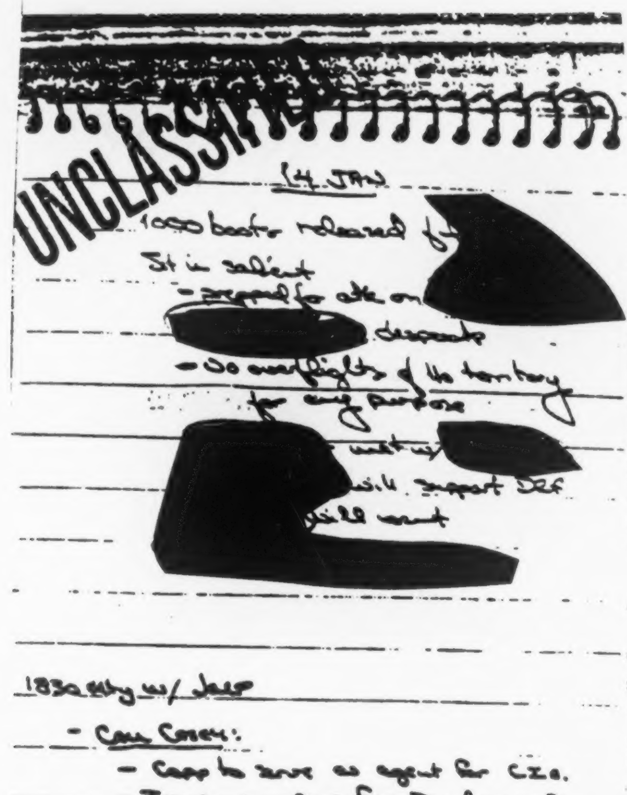

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14 JAN

1000 boats released f [redacted]

St in salient

- prepared for atk on [redacted] deposits
- No overflights of the territory for any purpose

[redacted] wait w/ [redacted]

[redacted] will support DEF

[redacted] Hill want

1830 Mtg w/ Jack

- Copp Concept:
  - Copp to serve as agent for CIA.
  - Is. to pay Copp for Purchase of Replacements
  - Copp to buy T's fm DoD & move to Is. for CIA
  - Copp to pay DoD FMV for Basic T's
  - Is. to prov. T's to I for op to begin.
  - 1st Shipment to Is & coincides w/ 1st Is shipment to I.
  - All to be released Bimmed after 1st Delivery
  - Lahad release of 25 Hizb to coincide w/ 1st Delivery

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14 Jan 86

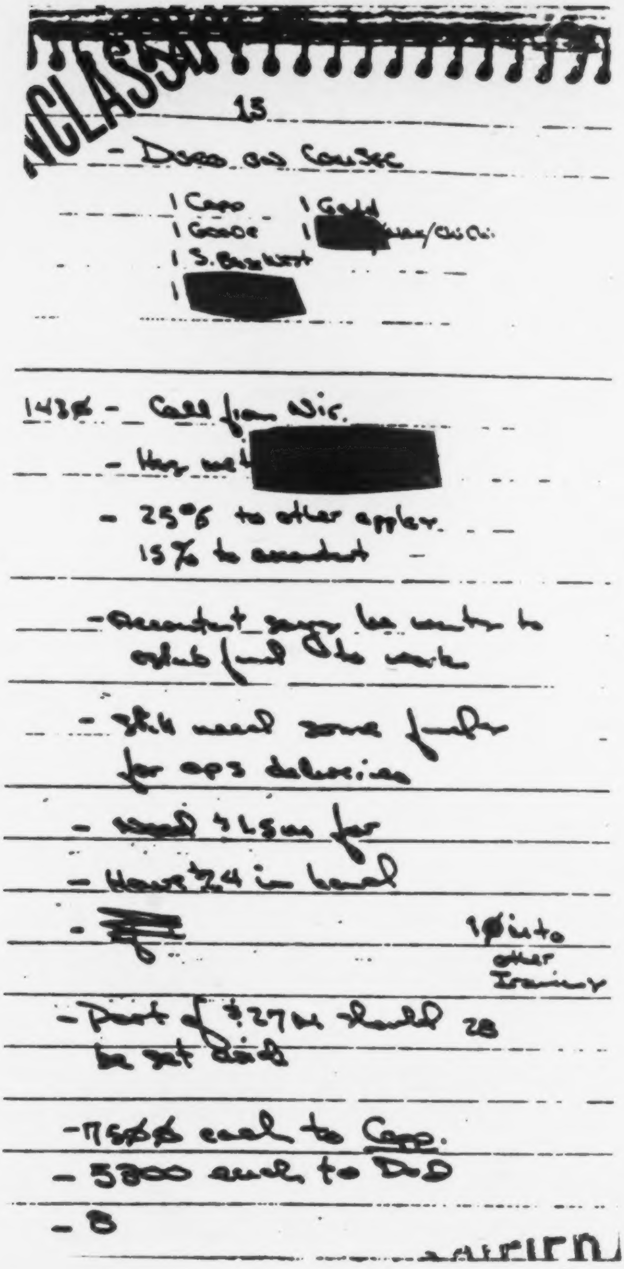
2230
Mtg w/ Dick:

- Options:
  ① Make Dick an agent of the Israelis
  ② Have President tell Cap "make it work."
  [redacted]
  - F-4 parts to Iran
  [redacted]
  - Fix w/
  ③ Work option for Copp to act on behalf of

☑ Get fix Copp

☑ Call Owen
Be prepared to carry currency to [redacted] for Chi Chi.

☑ Call Dewey
Tell [redacted] to go [redacted]
tell [redacted] to back-off
pressure on [redacted] Re
Copp inability to move
Blowpipes, Grenades, etc.
Worth $85K



NCLASS

13

- Docs and Counsel

| Copp | Gold
| Goode | [redacted]/Chi Chi
| S. Bartlett
| [redacted]

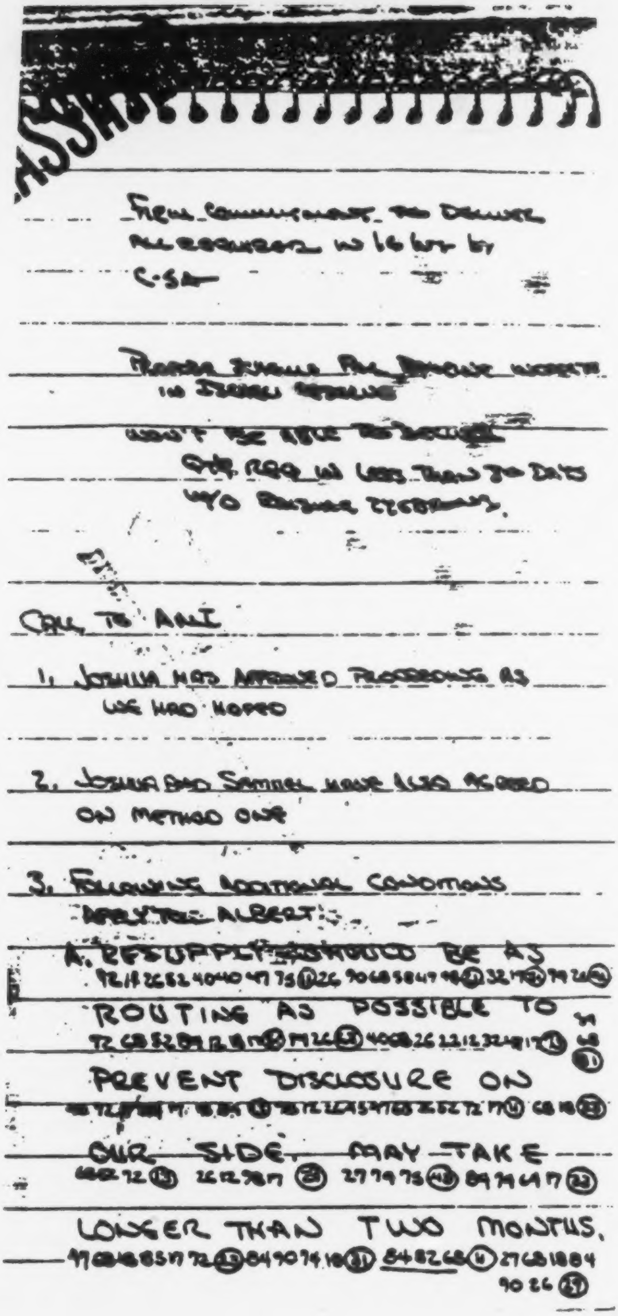
1430 - Call from Nic.

- Has met [redacted]
- 25% to other applic.
  15% to accountant
- Accountant says he wants to estab fund to work
- Still need some funds for ops deliveries
- Need $1.5M for
- Have $.4 in hand
-

10 into other Training

- Part of $27M should be set aside 28

- 7500 each to Copp.
- 5800 each to DoD
- 8



[illegible] COMMITMENT TO DELIVER ALL REQUESTED IN 16 HRS BY C-5A

[illegible] [illegible] [illegible] [illegible] IN ISRAELI [illegible]

WON'T BE ABLE TO DELIVER [illegible] [illegible] IN LESS THAN 30 DAYS W/O [illegible] [illegible].

CALL TO AMI

1. JOSHUA HAS APPROVED PROGRESSIONS AS WE HAD HOPED

2. JOSHUA AND SAMUEL HAVE ALSO AGREED ON METHOD ONE

3. FOLLOWING ADDITIONAL CONDITIONS APPLY TO ALBERT:

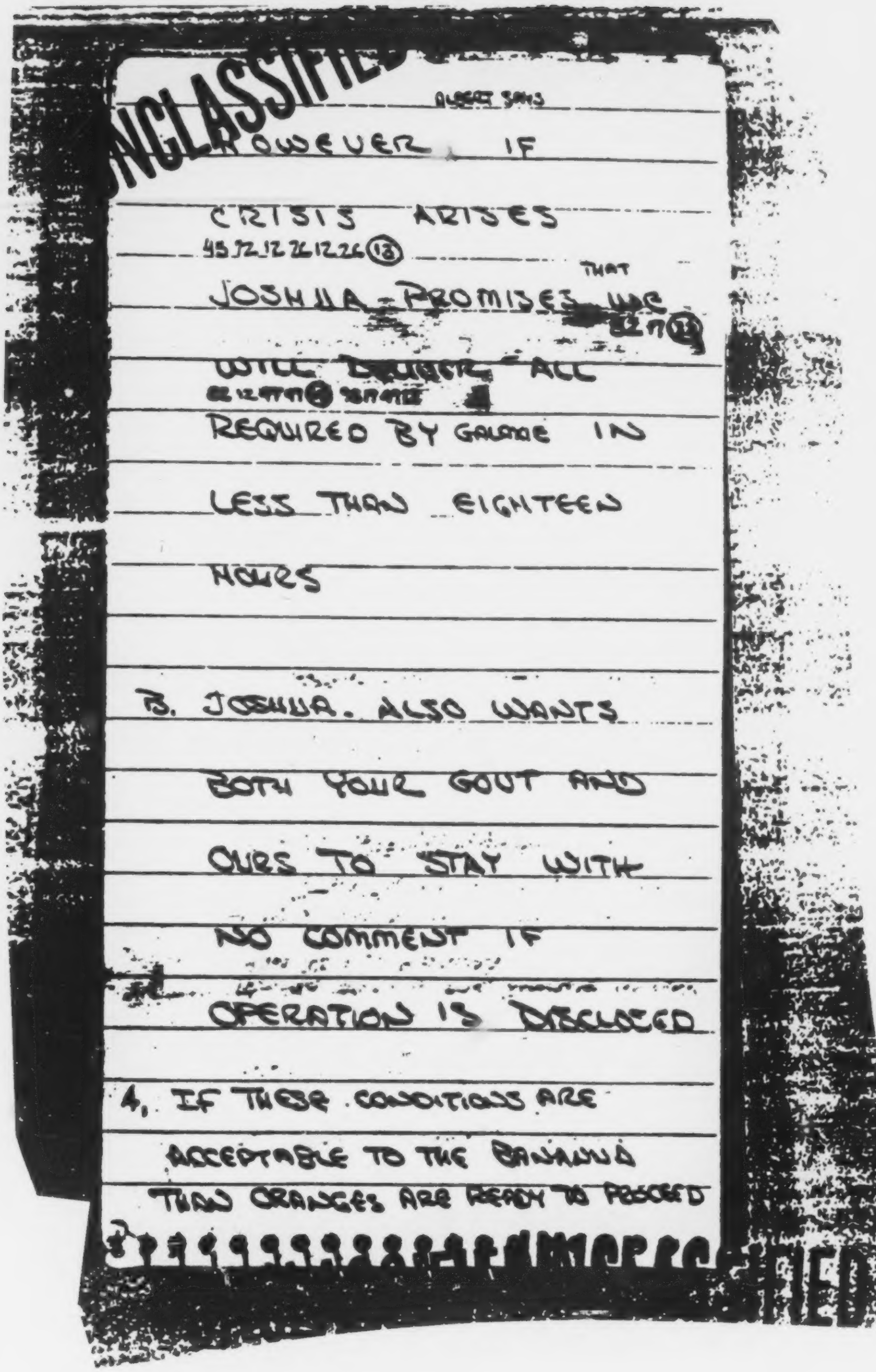
A. RESUPPLY SHOULD BE AS
92 11 26 52 40 40 47 75 (11) 26 90 68 58 47 [illegible] 32 [illegible] 79 26 [illegible]

ROUTING AS POSSIBLE TO
72 68 52 [illegible] [illegible] 79 26 [illegible] 40 [illegible] 26 22 12 32 [illegible] 17 [illegible] [illegible]

PREVENT DISCLOSURE ON
[illegible] 72 [illegible] 22 [illegible] 52 72 [illegible] 68 18 [illegible]

OUR SIDE. MAY TAKE
[illegible] 72 [illegible] 26 12 [illegible] [illegible] 27 79 75 [illegible] 89 [illegible] 17 [illegible]

LONGER THAN TWO MONTHS.
[illegible] 72 [illegible] 84 90 74 18 (31) 84 82 68 (4) 27 68 18 84
90 26 [illegible]



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ALBERT SAYS

HOWEVER, IF

CRISIS ARISES

45 72 12 26 12 26 ⑬

THAT

JOSHUA PROMISES WE

82 17 ⑬

WILL DELIVER ALL

82 12 47 47 [illegible] 93 47 47 [illegible]

REQUIRED BY GALATIE IN

LESS THAN EIGHTEEN

HOURS

B. JOSHUA ALSO WANTS

BOTH YOUR GOVT AND

OURS TO STAY WITH

NO COMMENT IF

OPERATION IS DISCLOSED

4. IF THESE CONDITIONS ARE

ACCEPTABLE TO THE BANANA

THAN ORANGES ARE READY TO PROCEED

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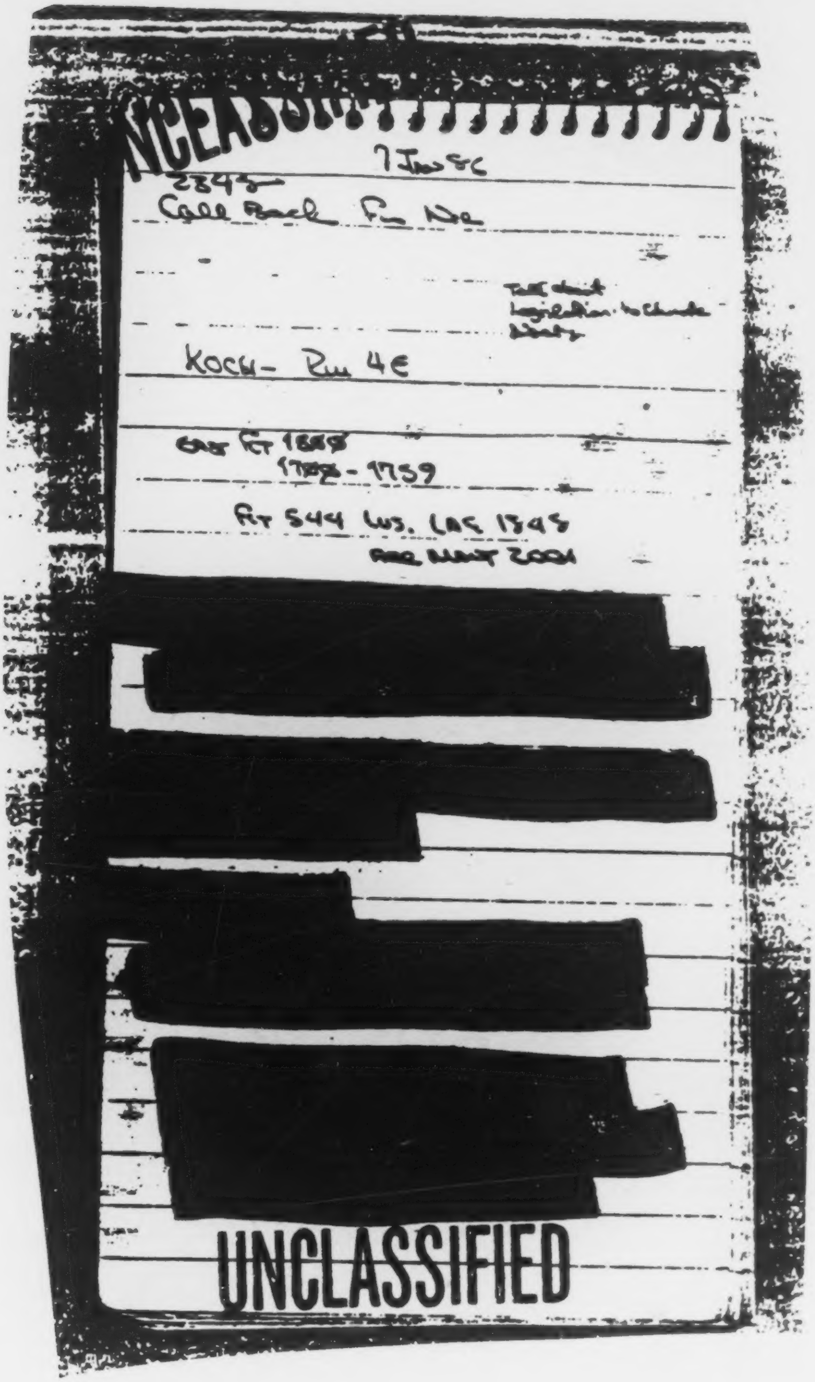

NCLAS

7 Jan 86

2348

Call Back Fm Noe

Talk about legislation to change priority

KOCH - Rm 4E

CAS Fit 1888
1758 - 1759

Fit 544 WS. LAS 1348
ARR BLANT 2001

[redacted]

[redacted]

[redacted]

[redacted]

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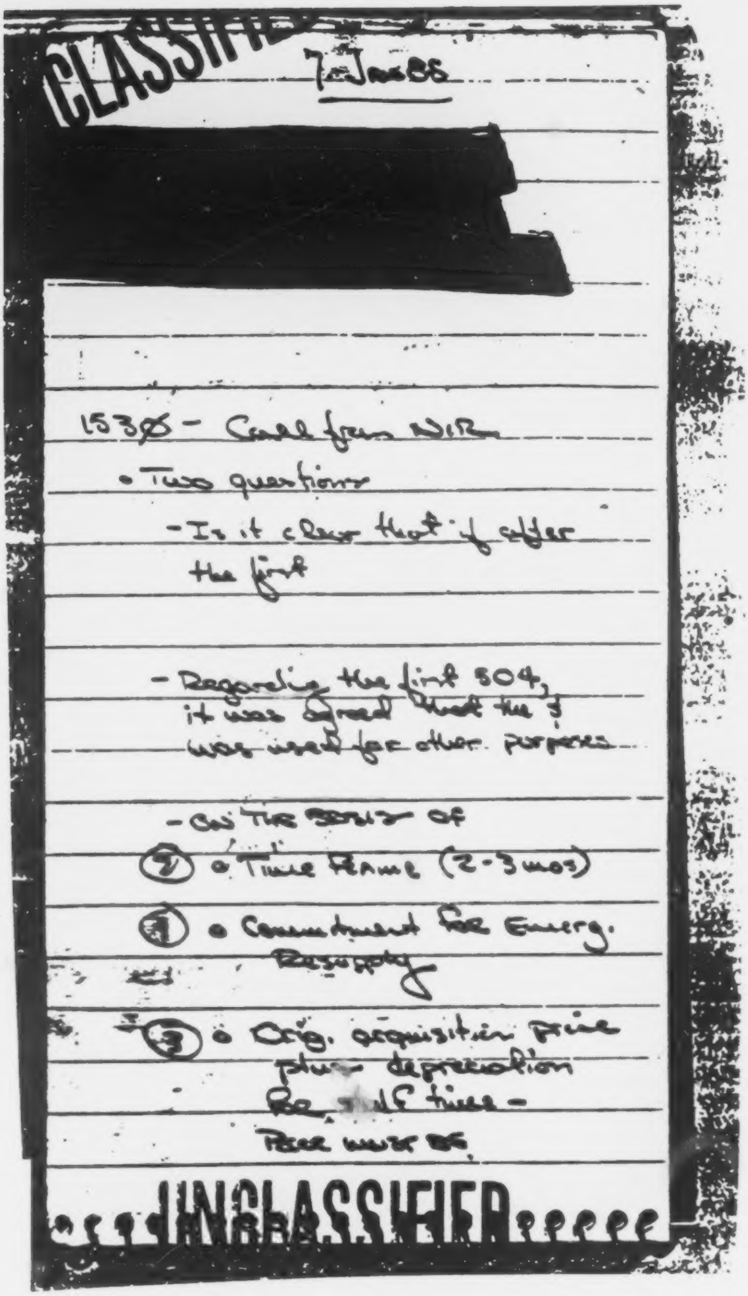

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7 Jan 86

[redacted]

1530 - Call from DIR

- Two questions
  - Is it clear that if offer the first
  - Regarding the first 504, it was agreed that the $ was used for other purposes
  - On the basis of

② o Time Frame (2-3 mos)

① o Commitment for Emerg. Resupply

③ o Orig. acquisition price plus depreciation for shelf time -

Peer wants $5.

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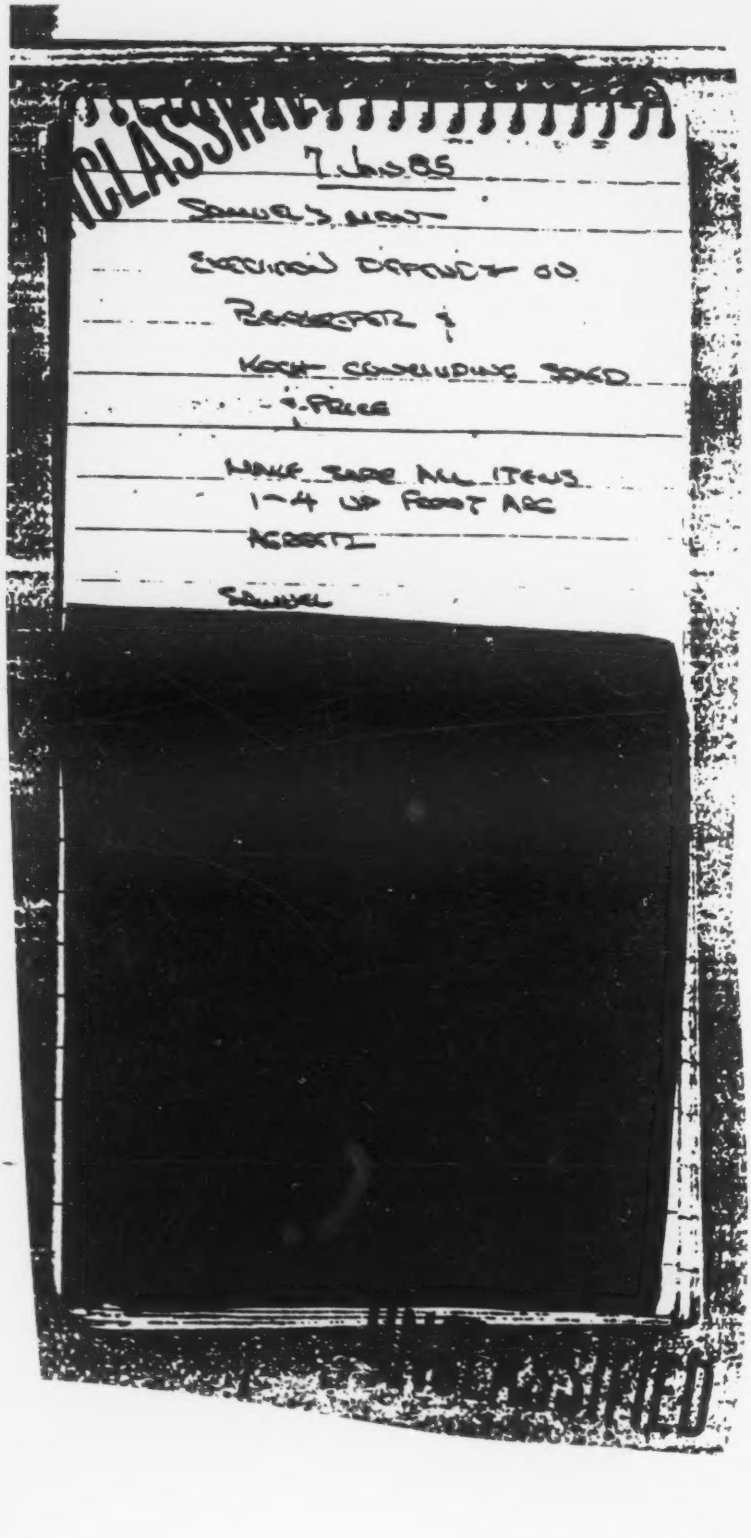

CLASSIF

7 JAN 85

SAMUELS [illegible]

EXECUTION DEFENCE CO

BREAKFAST &

KOCH CONCLUDING [illegible]

+ PRICE

MAKE SURE ALL ITEMS
1-4 UP FRONT ARE
AGREED

SAMUEL

[redacted]

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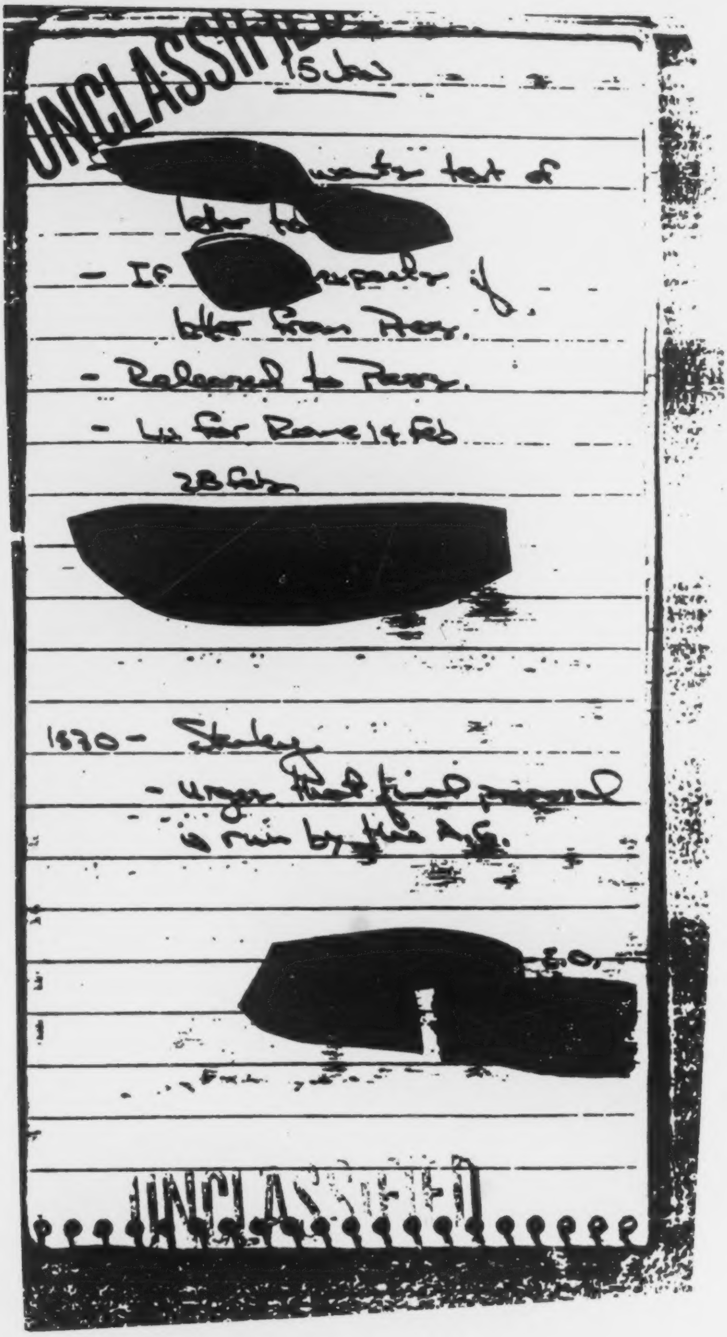

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15 Jan

[redacted] wants text of
letter to [redacted]

- If [redacted] requests cy of
letter from Pres.

- Released to Press.

- Lv for Rome 14 Feb

28 Feb

[redacted]

1870 - Stanley

- Urges that final proposal
is run by the A.G.

[redacted]

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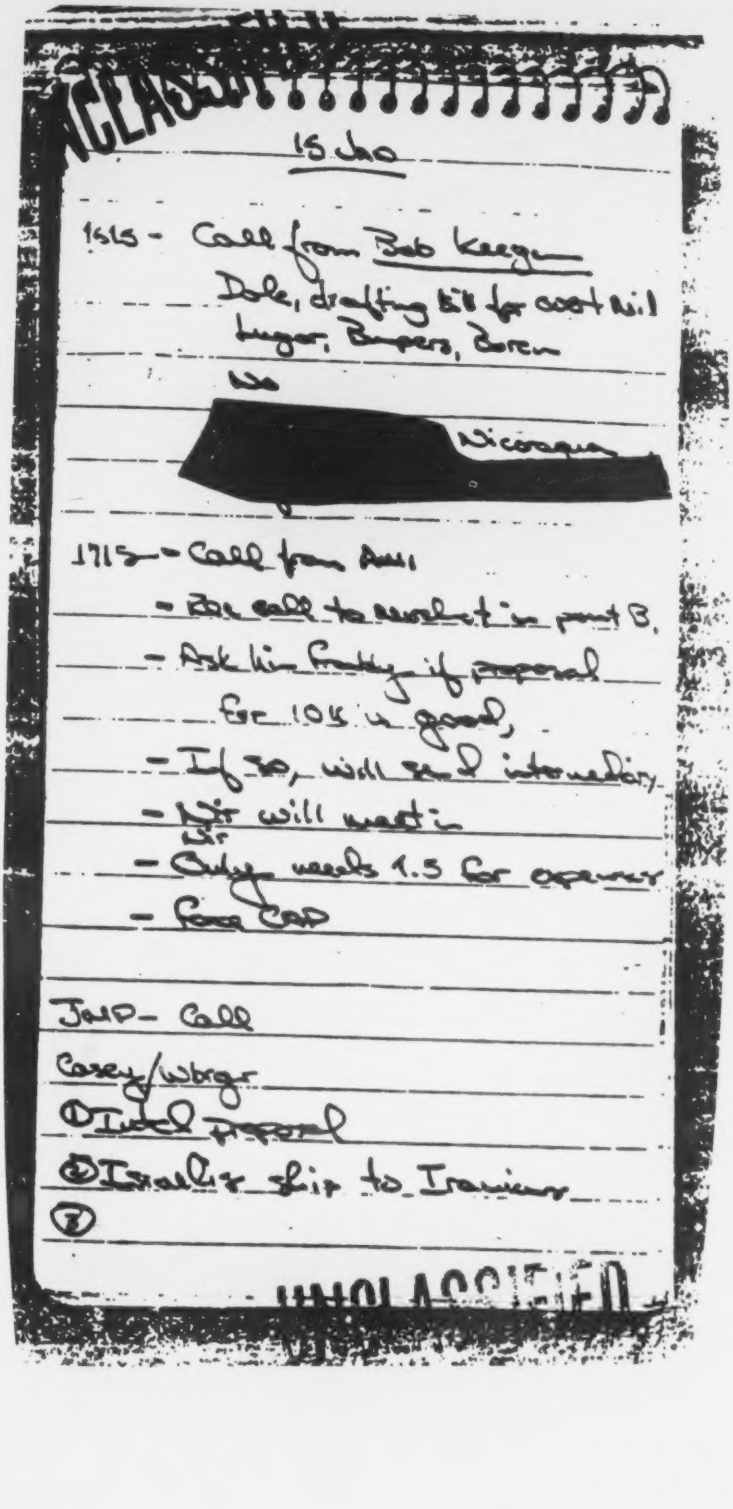

CLASSI

15 Jan

1515 - Call from Bob Keegan
Dole, drafting bill for covt aid
Lugar, Bumpers, Boren
No
[redacted] Nicaragua

1715 - Call from Amir
- Rec call to merchant in port B.
- Ask him frankly if proposal for 10K is good,
- If so, will send intermediary
- Nir will meet in
Nir
- Gorba needs 1.5 for expenses
- Force CAP

JMP - Call
Casey/Wbrgr
① Intel proposal
② Israelis ship to Iranians
③

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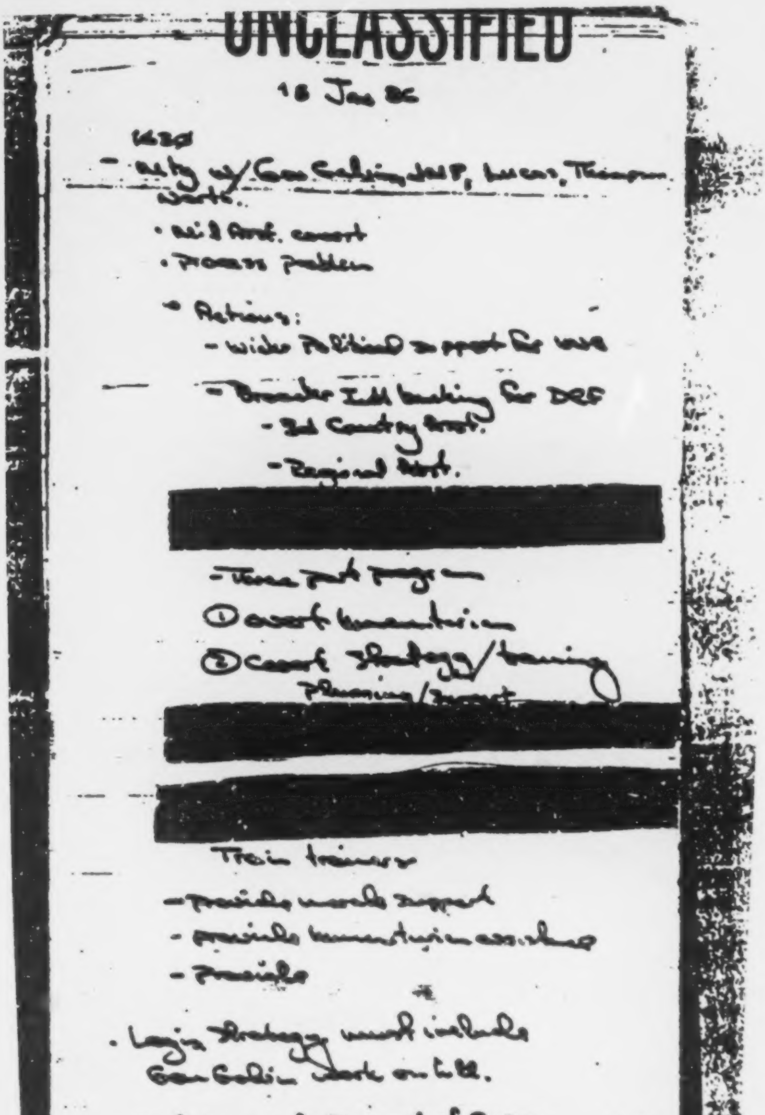

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18 Jan 86

1620

- Mtg w/ Gen Galvin, Jack P, Lucas, Thompson, Worts.
  - • Mil & Pol. concert
  - • Process problem
  - • Actions:
    - - wider Political support for UNO
    - - Broader Intl backing for DRF
      - - 3rd Country Asst.
      - - Regional Asst.

[redacted]

- Train post program —

① covert humanitarian

② covert strategy/training planning/support

[redacted]

[redacted]

Train trainers

- provide morale support
- provide humanitarian assistance
- Provide

• Legis strategy must include Gen Galvin work on Hill.

- military in support of CIA
- New Finding & Supp request shd be forwarded simultaneously.

UNCLASSIFIED

16 JAN 86

☐ Call from Copp
- Dowling has gone to interview President of SAT
- Cartridge [redacted]
- Sending engineer to [redacted] to erect bldg
- Start building curved [illegible]
- N400 deliver

SAT helps Dowling

Call from Nichol

☐ Copp to call (Sampson)

Nick's wife (speaks French)

~~Nice~~ 93-295-154

ask for [illegible]

☐ ~~Good~~ Communication from Billy's People (CIA) got in touch w[redacted] Everyone furious

Nick's people

Israelis furious

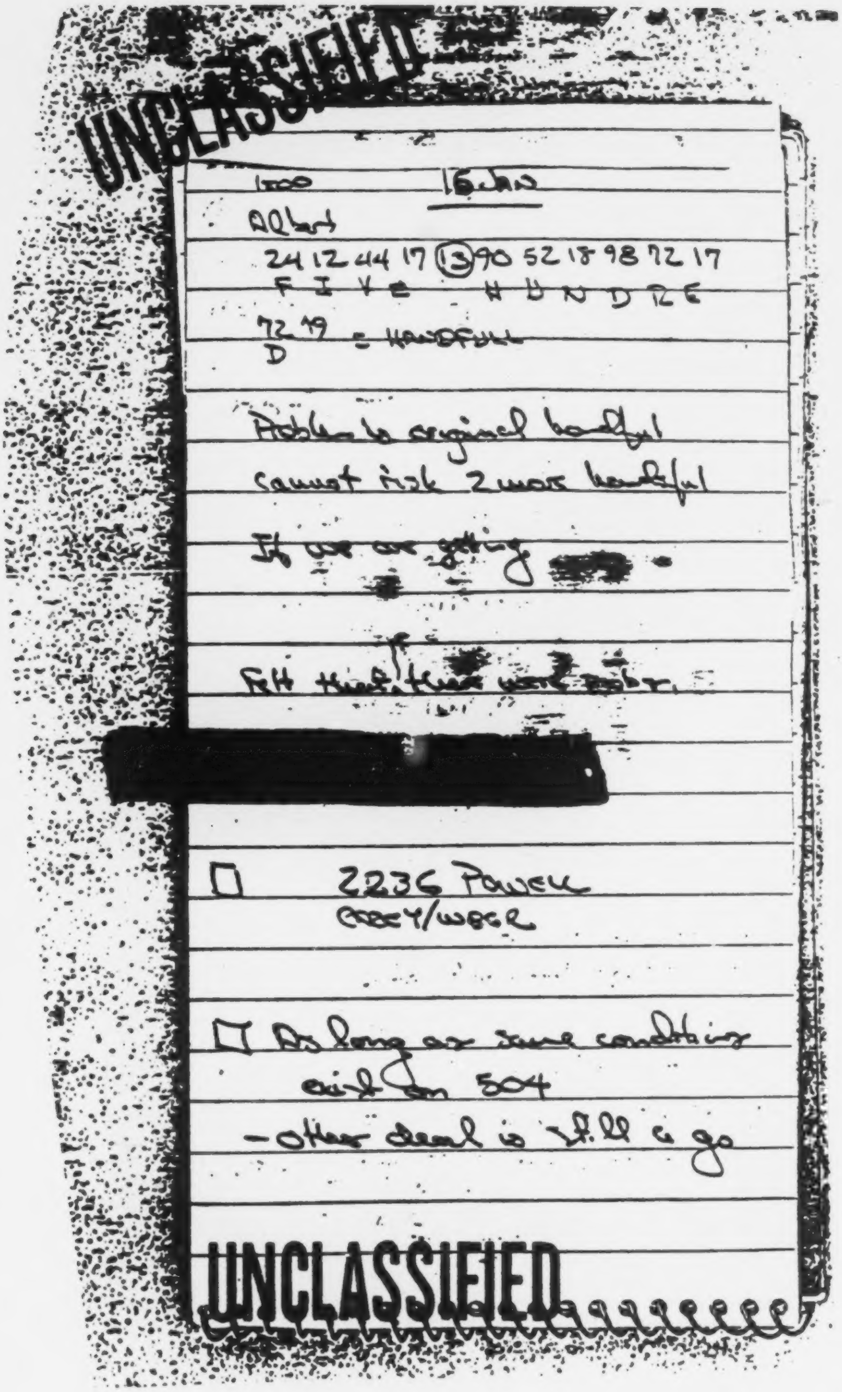
UNCLASSIFIED

1000 16 Jan

Albert

24 12 44 17 ⑬ 90 52 18 98 72 17

F I V E H U N D R E



UNCLASSIFIED

1000 16 JAN

Albert

24 12 44 17 ⑬ 90 52 18 98 72 17
F I V E H U N D R E

72 79 = HANDFULL
D

Problem is original handful

cannot risk 2 more handful

If we are getting [illegible]

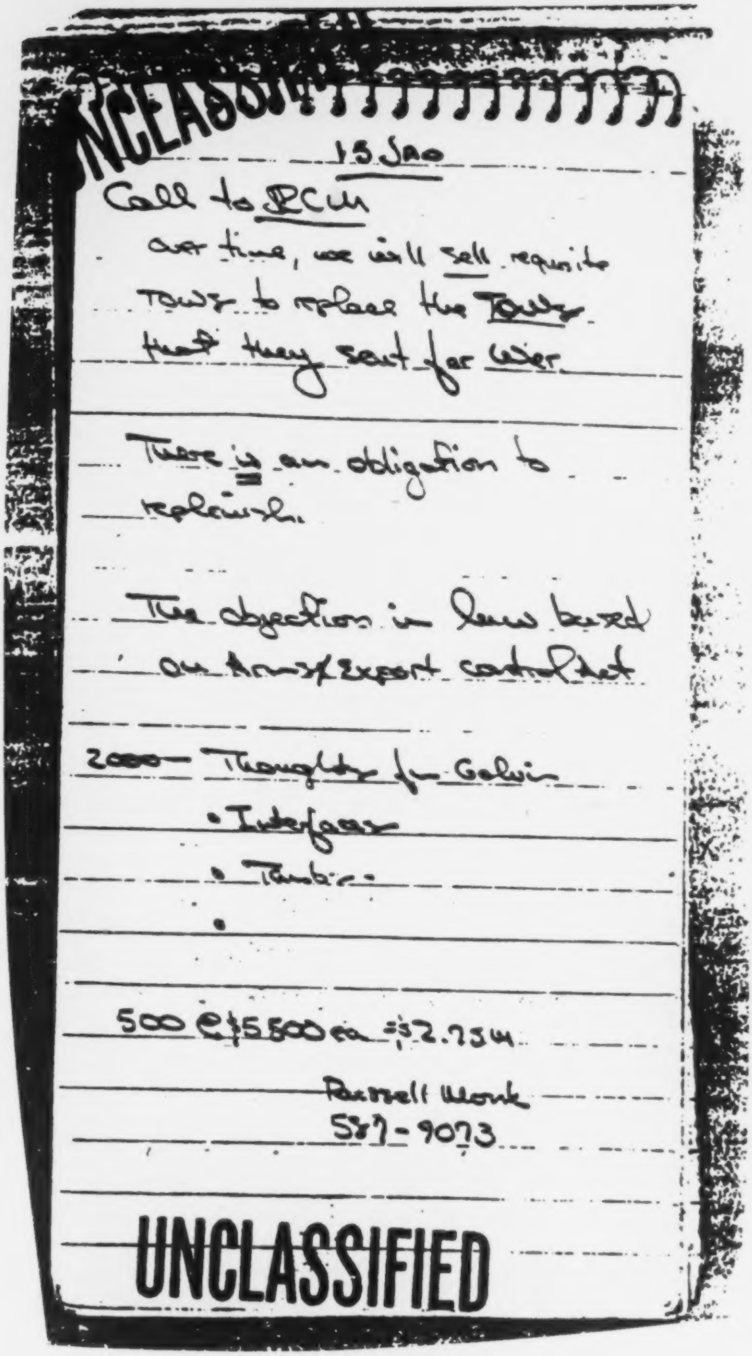
Felt that there were probs.

[redacted]

☐ 2236 POWELL
GREY/WEGR

☐ As long as same conditions
exist for 504
- other deal is still a go

UNCLASSIFIED



15 Jan

Call to RCM

over time, we will sell requisite TOWs to replace the TOWs that they sent for Weir

There is an obligation to replenish.

The objection in law based on Arms Export Control Act

2000 — Thoughts for Galvin

- Interfaces
- Timing
-

500 @ $5500 ea = $2.75M

Russell Monk
587-9073

UNCLASSIFIED

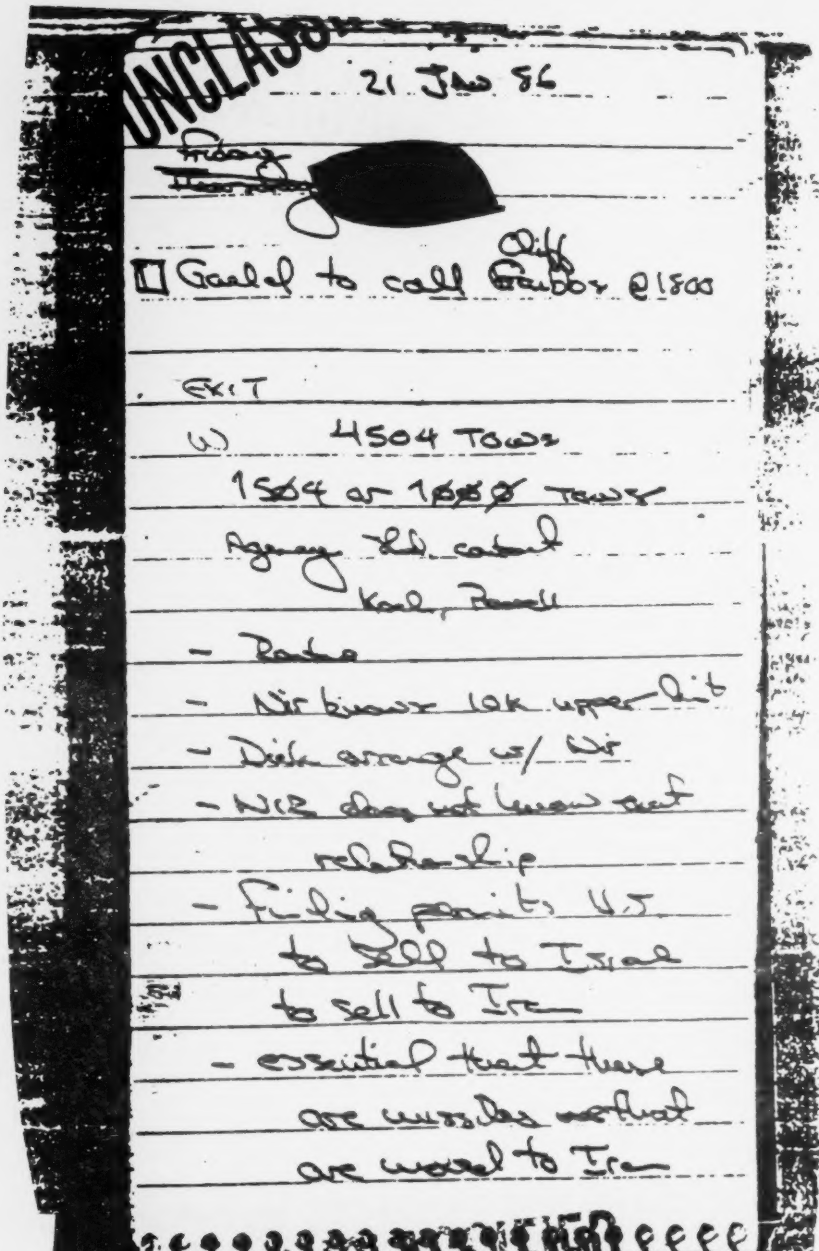
UNCLASSIFIED

16 Jan

1330 - Call from Nir
- Weizman is going on 10 day o/s trip on Sunday.
- Very difficult to consummate after departure
- Proposal

[redacted]

UNCLASSIFIED



UNCLASS

21 JAN 86

~~Friday~~
~~[illegible]~~ [redacted]

☐ Gadd to call ~~[illegible]~~ Cliff @1800

EXIT

(U) 4504 TOWs

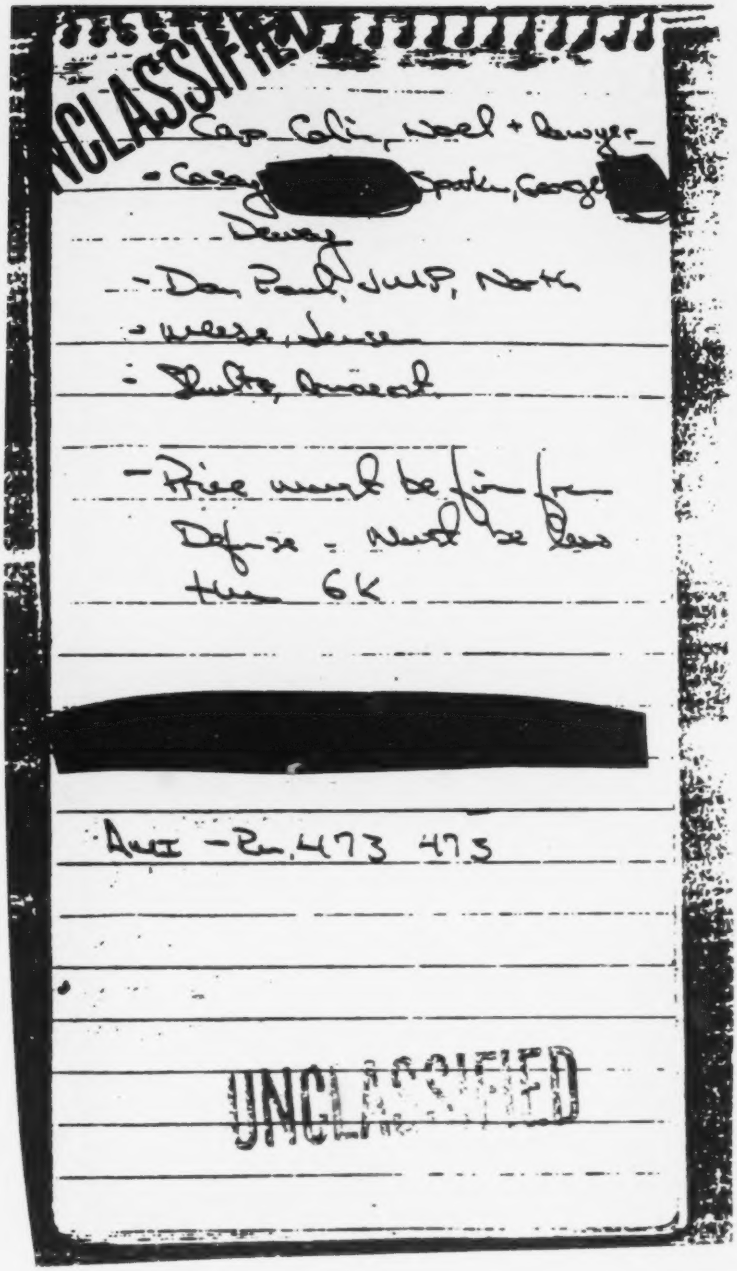
1504 or 1000 TOWs

Agency has contact

Karl, Powell

- Radar
- Nir knows 10k upper limit
- Dick arrange w/ Nir
- Nir does not know that relationship
- Finding permits U.S. to sell to Israel to sell to Iran
- essential that there are missiles that are moved to Iran

FIED



UNCLASSIFIED

Cap Colin, Noel + lawyer

- Casey [redacted] Sporkin, George [redacted] Dewey

- Don, Paul, JMP, North

- Meese, Jensen

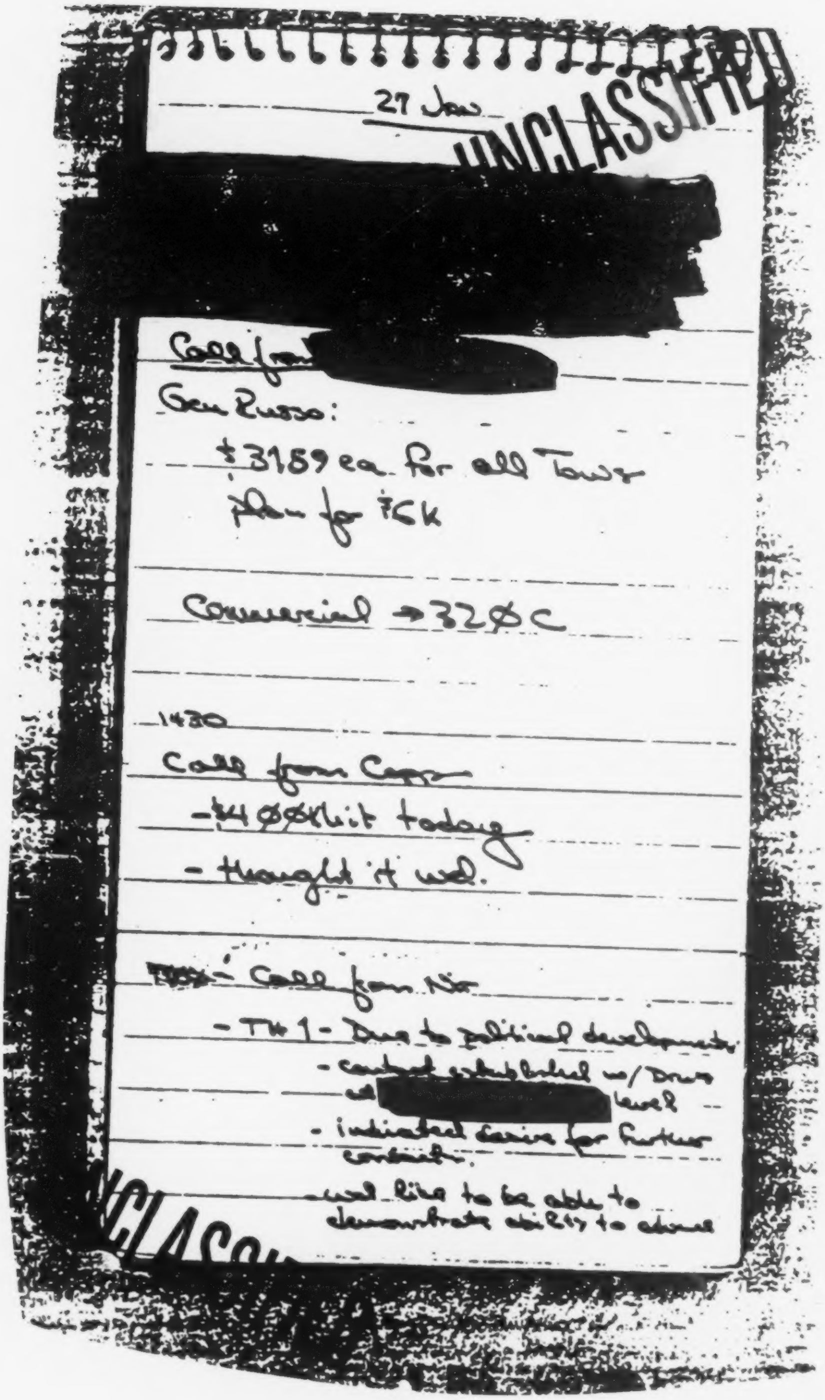
- Shultz, Armacost.

- Price would be firm for Defense - Must be less than 6K

[redacted]

Amt - Rm. 473 475

UNCLASSIFIED



UNCLASSIFIED

27 Jan

[redacted]

Call from [redacted]

Gen Russo:

$3169 ea for all Tows

Plan for 76K

Commercial → 320C

1430

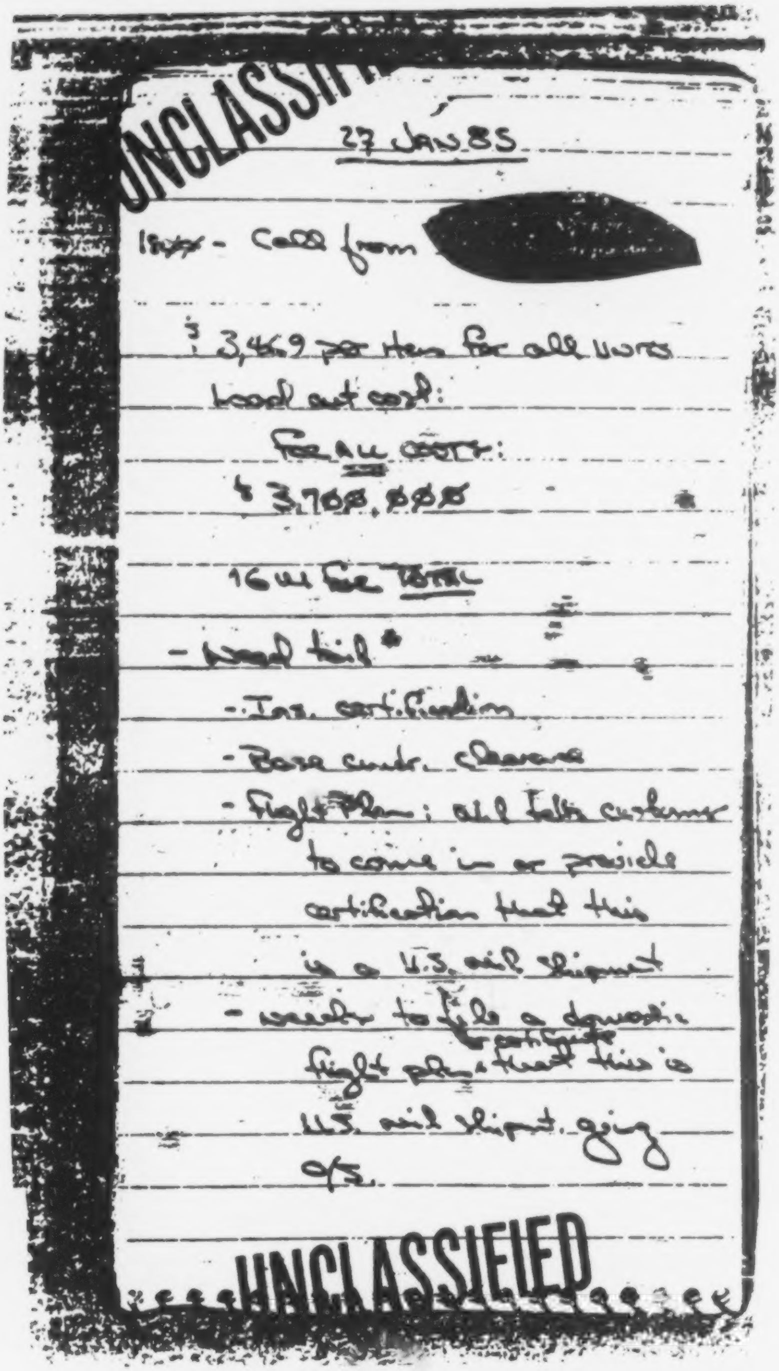
Call from Cogan

- $400K kit today
- thought it wd.

~~[illegible]~~ - Call from Nir

- TW 1 - Due to political developments
  - contact established w/ Dems at [redacted] level
  - indicated desire for further contact.
  - wd like to be able to demonstrate ability to deliver

UNCLASSI



UNCLASSIFIED

27 JAN 85

1800 - Call from [redacted]

$3,469 per item for all units

Load out cost:

For ALL costs:

$3,700,000

16 M for TOTAL

- Need tail #
  - Ins. certification
  - Base cmdr. clearance
  - Flight Plan: all tells customs to come in or provide certification that this is a U.S. mil shipment
  - needs to file a domestic flight plan & certificate that this is U.S. mil shipment going O/S.

UNCLASSIFIED

UNCLASSIFIED

OPERATION HOMEPORT - CODE SHEET

McFARLANE	Henry
CASEY	Charles
O. NORTH	Uriah
PRESIDENT	Julian
WEINBERGER	Andrew
U.S. ARMY	Investors
CIA	Brokers
WHITE HOUSE	Lawyers
[redacted]	[redacted]
ISRAEL	Perth
USA	Gloucestershire
IRAN	Norfolk
[redacted]	[redacted]
CUBA	Warwick
WASHINGTON	Ladbrooke
TEL AVIV	Peterborough
NEW YORK	Grantham
JERUSALEM	Sevenoaks
LONDON	Ledbury
AMER HOSTAGES	Hondas
BRIT HOSTAGES	Chevrolets
FRENCH HOSTAGES	Mercedes
[redacted]	[redacted]
GORBANIFAHR	Nick the Greek
BEN JOSEPH	Attorney
AL SCHWIMMER	Bookkeeper

AIRCRAFT	Appleyard
AIRFIELD	Egglington
HELICOPTER	Lucas
NEWSPAPER	Cluff
SHIPS	Pentos
INSTRUCTORS	Needlers
TARGET	Tesco
EUROPEAN	Rotorflex
RECCE	Pifco
WEAPONS	Toys
EXPLOSIVES	Shovels
ANTI-AIRCRAFT	Dana
ARTILLERY	Duport
MORTAR	Montague
AIR PHOTOGRAPH	Oranges
VEHICLES	Hanover
TRAINING CAMP	Pittard
ADVISORS	Lister
HAWK	Tractor
TOW	Trailer
747	Ford
DC-8	Buick
707	Toyota
KIMCHE	Paul
SECORD	John
NIMRODI	Peter
MERON	Matthew

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under provisions of E.O. 12356
by B. Reger, National Security Council

1468

From Box 39
DISK

UNCLASSIFIED

UNCLASSIFIED

LONDON - Gettysburg
ROME - Chicago
GENEVA - Tokyo
PARIS - Miami
NEW YORK - Columbus
TEL AVIV - Texas
WASHINGTON - Cleveland
[redacted]
FRANKFURT - Salt Lake City
[redacted]
BRUSSELS - Los Angeles
TRANSFER POINT - Oregon
WASHINGTON - Canada
ZURICH - Argentina
INTERCON - Meeting Place

SHIP - Orange
PICK-UP PT - Bananna
KM - Apples
BOAT - Melon
LEBANON - Opera
BEIRUT - Concert
DELIVERY - Set-up
HOSTAGES - Priest
PRISONERS - Visitors
RADARS - Babies
MISSILES - Fords

IRAN - Florida
ISRAEL - Cincinnati
USA - Brazil
AIRPLANE - Lemon
HIZBALLAH - English
LAHAD - Germans
AIRPORT - Auditorium
[redacted]
PRESIDENT - Beethoven
POINDEXTER - Schubert
P.M. - Mozart
NORTH - Wagner
McFARLANE - Gershwin
NIR - Bach
CIA - Fools
MONEY - Pickles
WEINBERGER - Shakespear
SHULTZ - Moliere
RABIN - Fitzgerald
SHAMIR - Boswell
IVRY (DefMin DG) - Jonson
SCHWIMMER - Rosenberg
NIMRODI - Boyle
GORBA - Lenin
[redacted]
IRANIAN OFFICIAL - Stalin
[redacted]

UNCLASSIFIED

UNCLASSIFIED

RECEIVED
FBI
NOV 29 1986
Copy is Receipt

Point [illegible]:	[illegible]
Point A:	[illegible]
Point A':	[illegible]
Point B:	Rome
Point C:	Geneva
Point D:	Paris
Point E:	Washington
Point F:	New York
Point G:	Tel Aviv
[redacted]	
Point O:	[illegible], Cyprus
Point P:	Brindisi, Italy
Point Q:	Transfer [illegible]/on-off load
[redacted]	
Channel 2:	[illegible] to [illegible]
Channel 3:	Via [illegible]
Method 1:	Replenish by boat
Method 2:	Replenish by pre-positioning
Delivery:	Sunday
Hostages:	[illegible]
Prisoners:	Tigers
Missiles:	[illegible]
Pre-positioning:	[illegible]
Iran:	Apple
Israel:	Banana
U.S.A.:	Orange
Lebanon:	[illegible]
Airplane:	Potato
Hizballah:	Lettuce
[redacted]	
[illegible]:	[illegible]
Airport:	[illegible]
President:	[illegible]
Prime Minister:	[illegible]
[illegible]:	Brian :
[illegible]:	Adam
North:	Paul
[illegible]:	Samuel
[illegible]:	Francis
[illegible]:	William
[illegible]:	Richard
[redacted]	Alfred
[illegible]:	[illegible]
[illegible]:	Accountant
[illegible]:	Broker
[illegible]:	Banker
[illegible]:	Bookkeeper
[illegible]:	Brian :
[illegible]	[illegible]

SAMPSON - SECORD

1469

Partially Declassified/Released on 6 Jul 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

112
TK

EXHIBIT OLN-70

[illegible]
To NSJMP --CPUA

UNCLASSIFIED N 4946

*** Reply to note of 08/31/85 13:26
NOTE FROM OLIVER NORTH
Subject: PRIVATE BLANK CHECK

Hopefully you have by now been informed that UNO/FDN safely released the eight West Germans this evening just before dark at the religious commune at Presillas. Franklin is headed North in attempt to get across the Rama Rd before the Sandinistas can close in on him. At this point the only liability we still have is one of DEMOCRACY INC.'s airplanes is mired in the mud (it is the rainy season down there) [redacted] They hope to have it out by dawn. On a separate but related matter: The reason why I asked to speak to you urgently earlier today is that Ray called Elliott Abrams regarding the third country issue. Elliott has talked to Shultz and had prepared a paper re going to [redacted] for contributions. Countries 2+3 Elliott called me and asked "where to send the money." I told Elliott to do nothing, to send no papers andto talk to no one further about this until he talks to you. He is seeing you privately tomorrow. At this point I need your help. As you know, I have the accounts and the means by which this thing needs to be accomplished. I have no idea what Shultz knows or doesn't know, but he could prove to be very unhappy if he learns of [redacted] aid that has been given in the past from someone other than you. Did RCM ever tell Shultz?

I am very concerned that we are bifurcating an effort that has, up to now, worked relatively well. An extraordinary amount of good has been done and money truly is not the thing which is most needed at this point. What we most need is to get the CIA re-engaged in this effort so that it can be better managed than it now is by one slightly confused Marine LtCol. Money will again become an issue in July, but probably not until mid-month. There are several million rounds of most types of ammo now on hand and more ($3M) worth on the way by ship [redacted] Critically needed items are being flown in from Europe to the expended warehouse facility [redacted] Boots, uniforms, ponchos etc. are bein g purchased locally and Calero will receive $500K for food purchases by the end of the week. Somehow we will mollify the wounded egos of the triple A with not being able to see RR. [redacted] on the blowpipesif we are going to do anything at all about outside support in the next few days, and I wd love to carry the letter from RR [redacted] if we are going to move on something. Meanwhile, I wd recommend that you and RCM have a talk about how much Sec Shultz does or does not know ab[redacted] so that we don't make any mistakes. I don't know who in the [redacted] knows since [redacted] never told me. At this point I'm not sure who on our side knows what. Help. Warm regards, North

EXHIBIT
OLN-70

Partially Declassified/Released on 7 May 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

NIEY 12/3

549

EXHIBIT OLN-71

ROUTING

To	Name and Address	Date	Initials
1	Robert McFarlane		
2			
3			
4			
5			
6			

X	ACTION	FILE
	APPROVAL	INFORMATION
	COMMENT	PREPARE REPLY
	CONCURRENCE	RECOMMENDATION
	DIRECT REPLY	RETURN
	DISPATCH	SIGNATURE

REMARKS

cc: Oliver North (#2 and 3)
Ken deGraffenreid (#4)
Jim Radzimski (#5)

#62 7636

UNCLASSIFIED

~~TOP SECRET~~

N 16885

NSC/ICS CONTROL NO. 401214

COPY NO. 1 OF 5

HANDLE VIA SYSTEM IV CHANNEL ONLY

NSC INTELLIGENCE DOCUMENT

Partially Declassified/Released on 5 May '92
under provisions of E.O. 12356
by B. Reger, National Security Council

Warning Notice
Intelligence Sources and Methods Involved
NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

EXHIBIT
OLN-71

~~TOP SECRET~~

UNCLASSIFIED

~~TOP SECRET~~

The White House

System # IV

Package # 401214

UNCLASSIFIED

[illegible]

N 16836

	SEQUENCE TO	HAS SEEN	DISPOSITION
Paul Thompson	1	PT	
Bob Kimmitt	2	K	
John Poindexter	3	C	
Tom Shull		/	
Wilma Hall	4		
Bud McFarlane	5	M	A
Bob Kimmitt			R
NSC Secretariat Jim	7		
Situation Room		J	

I = Information [✓ A = Action] R = Retain D = Dispatch N = No further Action

cc: VP Meese Baker Deaver Other

COMMENTS Should be seen by: ____________ (Date/Time)

[redacted]

UNCLASSIFIED

MEMORANDUM

UNCLASSIFIED

NATIONAL SECURITY COUNCIL

SYSTEM IV
NSC/ICS-401214

Partially [redacted] '97
ly Council

December 4, 1984

ACTION

N 16887

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: Assistance for the Nicaraguan Resistance

In accord with prior understanding, I met on Wednesday, November 28, with , Defense Attache, Embassy of the Gaston Sigur arranged the luncheon meeting at the Cosmos Club and was present throughout.

As agreed, I explained to our purpose in the meeting was to clarify questions which had been raised in Canada regarding an arms transaction destined I explained that an intermediary had advised that apparently made a decision not to proceed with the Canadian-originated arms sale. This offer of purchase included 10 SA-7 missile launchers 30 missiles, 1 training unit, and 10 tracking units.

professed to be unaware of the Canadian transaction. I advised him that the purchase was not really intended for use by but rather for the Nicaraguan Resistance Forces. Further, the intermediary had indicated that the problem appeared to be the number military officers who are graduates of the As a consequence of the apparent reluctance to proceed with the sale showing end user certificate, the Canadian arms dealer is preparing to re-initiate discussions for a similar delivery was advised that the FDN would prefer to have the delivery as soon as possible, since the Soviet HIND-D helicopters were being assembled as we spoke.

was further advised that Adolfo Calero, the Head of the FDN, was willing to commit to a recognition once the Resistance Forces had succeeded. Indicated that he understood the message and would confer with the [redacted] He observed, for the record, that refused to become involved, in any way, in the internal affairs of another country. I indicated that we fully appreciated this position and noted that it was too bad that the Soviets, Bulgarians, and East Germans involved in Nicaragua did not feel the same way.

~~TOP SECRET~~
Declassify: OADR

UNCLASSIFIED

Later that afternoon, MGEN Jack Singlaub (U.S. Army, Retired) visited to advise of two meetings he had held early in the day regarding support for the Resistance. Singlaub passed on the following points:

Meeting with [redacted]

-- The FDN is in urgent need of anti-aircraft weapons and other crew-served weapons ammunition (particularly 60 and 81mm mortar rounds). Units in the field are also in need of large quantities of boots and clothing since the number of ralliers has exceeded expectations by 2,000.

-- The Resistance Forces are also in urgent need of expertise in maritime operations.

-- The USG is unaware of the Singlaub mission and he is making this request based on his long friendship [redacted] Because of the law restricting USG involvement, no USG official can solicit on behalf the Resistance Forces.

-- If [redacted] like to help, Singlaub can arrange a meeting with Adolfo Calero. If it is necessary for a USG official to verify Calero's bona fides, this can be arranged.

Meeting with [redacted]

-- By agreement with Calero, Singlaub advised [redacted] since [redacted] had turned down the earlier FDN request for assistance [redacted] the Resistance movement had approached [redacted]

-- The Resistance still is in reed of financial support, munitions, and training assistance.

-- [redacted] this was a "considerably different situation" than that which he had been aware of earlier. While not committing to support, he noted to Singlaub that this new information might make a difference [redacted]

[redacted]

~~TOP SECRET~~ 3 UNCLASSIFIED

[redacted]

This weekend, at the request of Sec. John Lehman, I met with Mr. David Walker, a former British SAS officer who now heads two companies (KMS and SALADIN) which provide professional security services to foreign governments. Walker had been approached several months ago, prior to initiating the current financial arrangement for the FDN. In addition to the security services provided by KMS, this offshore (Jersey Islands) company also has professional military "trainers" available. Walker suggested that he would be interested in establishing an arrangement with the FDN for certain special operations expertise aimed particularly at destroying HIND helicopters. Walker quite accurately points out that the helicopters are more easily destroyed on the ground than in the air.

N 16889

[redacted]

Unless otherwise directed, Walker will be introduced to Calero and efforts will be made to defray the cost of Walker's operations from other than Calero's limited assets.

[redacted]

[redacted]

EXHIBIT OLN-72

1	Robert McFarlane	
2		
3		
4		
5		
6		
X	ACTION	FILE
	APPROVAL	INFORMATION
	COMMENT	PREPARE REPLY
	CONCURRENCE	RECOMMENDATION
	DIRECT REPLY	RETURN
	DISPATCH	SIGNATURE

REMARKS

cc: Oliver North (#2 and 3)
Ken deGraffenreid (#4)

~~SECRET~~ SENSITIVE

N 7010 ~~SECRET~~ UNCLASSIFIED

NSC/ICS CONTROL NO [illegible]

COPY NO 3 OF 4

HANDLE VIA SYSTEM IV CHANNEL ON

NSC INTELLIGENCE DOCUMENT

Warning Notice
Intelligence Sources and Methods Involved
NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

#167

[illegible] on: 5/2/87
of E. [illegible] 12356
[illegible] Council

~~SECRET~~ UNCLASSIFIED

~~SECRET SENSITIVE~~

8(K) E31
12-12-86
NSC

EXHIBIT
OLN-72

MEMORANDUM

SECRET
UNCLASSIFIED

NATIONAL SECURITY COUNCIL

SYSTEM IV
NSC/ICS-4020[illegible]
Re-do

February 6, 1985

SECRET

SENSITIVE

ACTION

N 7013

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: Cable to President Suazo of Honduras

Attached at Tab I is a memo from you to Secretaries Shultz and Weinberger, Director Casey, and General Vessey requesting their concurrence in a proposed backchannel cable to President Suazo from President Reagan (Tab A). The cable is intended to emphasize for President Suazo our support in the event of a Sandinista attack [redacted]

Since we originally reported on January 25, the HUMINT and [redacted] indications of an attack, [redacted] Since January 29, the Sandinistas have been sporadically firing into Honduras with their artillery and rockets. GEN Paul Gorman delivered to the Pentagon on Monday, February 4, two 122mm rocket assemblies taken from their point of impact in Honduras. The intelligence at Tab II pertains. [redacted]

[redacted]

SECRET
Declassify: OADR

UNCLASSIFIED

SENSITIVE

N 7014

UNCLASSIFIED

N 7015

At this point, two steps need to be urgently taken:

-- The FDN is in urgent need of near-term financing--approximately $2M--for the purchase of rifles, ammunition, and boots for the new volunteers.

-- The Hondurans need to be stiffened with assurances from the United States that we will meet our responsibilities under existing treaties. [redacted]

[redacted] Singlaub will be here to see me tomorrow. With your permission, I will ask him to approach [redacted] Embassy urging that they proceed with their offer. Singlaub would then put Calero in direct contact with each of these officers. No White House/NSC solicitation would be made. [illegible]

RECOMMENDATIONS

1. That you sign and transmit the memo at Tab I.

Approve _____ Disapprove _____

2. That you authorize me to proceed as indicated with GEN Singlaub.

Approve _____ Disapprove _____

Attachments
Tab I - McFarlane Memo to Shultz/Weinberger/Casey/Vessey
Tab A - Proposed Backchannel Cable to Suazo
Tab II - Intelligence
Tab III - Photograph
Tab IV - Background Cables

THE WHITE HOUSE

WASHINGTON

UNCLASSIFIED

February 7, 1985

SENSITIVE

N 7010

MEMORANDUM FOR THE HONORABLE GEORGE P. SHULTZ
The Secretary of State

THE HONORABLE CASPAR W. WEINBERGER
The Secretary of Defense

THE HONORABLE WILLIAM J. CASEY
The Director of Central Intelligence

GENERAL JOHN W. VESSEY, JR.
Chairman, Joint Chiefs of Staff

SUBJECT: Cable to President Suazo of Honduras (S)

There are continuing indications that the Sandinistas are planning a major attack against [redacted]

I understand that we have in our possession some evidence of the recent firing into Honduras. (S)

[redacted] At this time, no Honduran units have been put on alert or moved to the area and there are indications that the Honduran Government [redacted] (S)

It would appear that the Hondurans are reacting to the extraordinary buildup across their border in such a way as to minimize the attractiveness of [redacted] as a target. [redacted]

SECRET
Declassify: OADR

UNCLASSIFIED

SENSITIVE

It is possible that a message of assurance to President Suazo could have a stiffening effect on Honduran resolve in the face of the Sandinista offensive. The cable at Tab A is designed to serve such a purpose. Could I ask that you review this cable personally and provide comments/concurrence in its dispatch by COB Thursday, February 7, 1985. Separately, I am asking John Poindexter to convene a CPPG to consider contingent U.S. actions in support of Honduras in the event it becomes necessary. (S)

Robert C. McFarlane

2 pages withdrawn
N 7018 - N 7019
Denied in full
FOC 5/5/87

N 7020

4 pages withdrawn
N 7021 – N 7024
Denied in full
FOC 5/5/87

EXECUTIVE SECRETARIAT
BUREAU OF INTELLIGENCE AND RESEARCH

UNCLASSIFIED

CURRENT REPORTS

February 1, 1985

N 7025

1. NICARAGUA: GOVERNMENT PLANS ANTI-CONTRA DRIVE IN FEBRUARY

The government is planning a major sweep in February and March again the contras [redacted]

INR Comment: We have evidence of government resupply activity that indicates a drive is imminent. The government's abilities in comman and control, logistics, and effective use of intelligence have not improved markedly, however, despite an increase in troop strength an materiel. Recent skirmishes indicate the contras, with their improving tactical skills, will probably not be hard hit by this offensive (SECRET/NOFORN, NOCONTRACT/ORCON)

[redacted]

NONRELEVANT

3. NICARAGUA/HONDURAS: HONDURAN POST REPORTEDLY ATTACKED

Honduras charged January 31 that a Nicaraguan army unit entered Honduran territory near Palo Verde, Choluteca January 30 and attacked a Honduran army post, according to press and USDAO Tegucigalpa reporting. Honduran officials claimed that at least one Sandinista soldier was killed in the skirmish.

INR Comment: This foray is the third violation of Honduran territory to come to our attention recently. Most previous border violations have been [redacted] but this incident may be related to an increased Honduran army effort to interdict arms trafficking from Nicaragua into El Salvador. (CONFIDENTIAL)

[redacted]

NONRELEVANT

UNCLASSIFIED

UNCLASSIFIED

SENATE HOUSE

SECRET/NOFORN/NOCONTRACT/ORCON/EXDIS

Bureau of Intelligence and Research
Current Analysis Series N 7023

February 1, 1985

CENTRAL AMERICAN HIGHLIGHTS

Nicaragua-Contras: [redacted] the Nicaraguan government would initiate a major military action in February and March/ [redacted]

NONRELEVANT

N.R.

Assistance to Pastora: [redacted] during his January 18-23 visit to [redacted] Sandino Revolutionary Forces (FRS) chief Eden Pastora raised some $3,000 and pledges for greater support from [redacted] military, private enterprise and civilian government representatives. [redacted] The funds Pastora collected allowed him to begin his international fund raising trip with first stops in Miami and Washington. [redacted]

UNCLASSIFIED

SECRET/NOFORN/NOCONTRACT/ORCON/EXDIS
(DECL: OADR)

5 pages withdrawn
N7027 - N7031
Denied in full
ZDC 5/5/87

N 7032

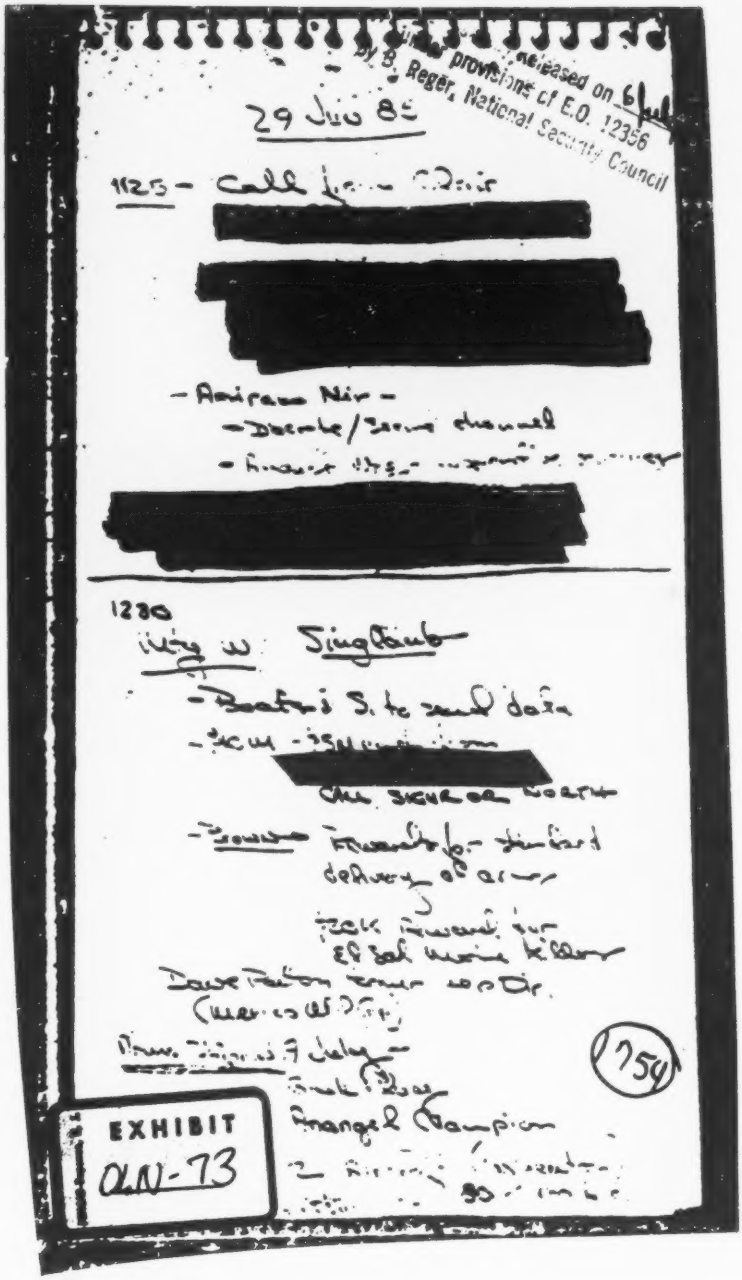
2 pages withdrawn
N 7033 -N 7034
Denied in full
JOC 5/5/07

N 7035

7 pages withdrawn
N7036 - N7042

Denied in Full
FDC 5/5/87

EXHIBIT OLN-73



released on 6 Jul
provisions of E.O. 12356
by B. Reger, National Security Council

29 Jun 85

1125 - Call from [illegible]

[redacted]

[redacted]

- Amiram Nir -
- Decide/Secure channel
- [illegible]

[redacted]

1230
Mtg w: Singlaub
- Briefed S. to send data
- [illegible] - [illegible]

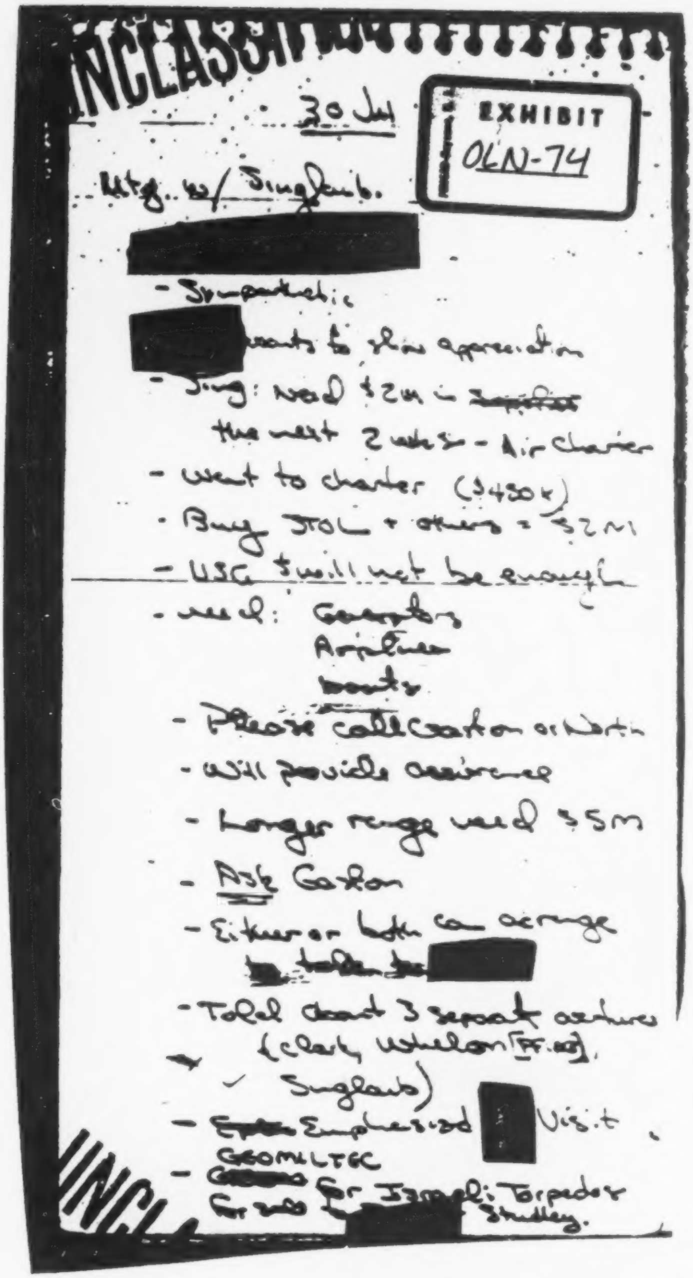
[redacted]

ONE SIGNER OR NORTH
- Brown - Rewards for limited delivery of arms
$20K Reward for El Sal Marine Killers
Dave Parton [illegible] Dir.
(Marines W/ [illegible])
Press [illegible] 4 July -
[illegible]
Arangel Champion
2 [illegible]
30 [illegible]

1754

EXHIBIT
OLN-73

EXHIBIT OLN-74



NCLASSI

EXHIBIT
OLN-74

30 Jul

Mtg. w/ Singlaub.

[redacted]

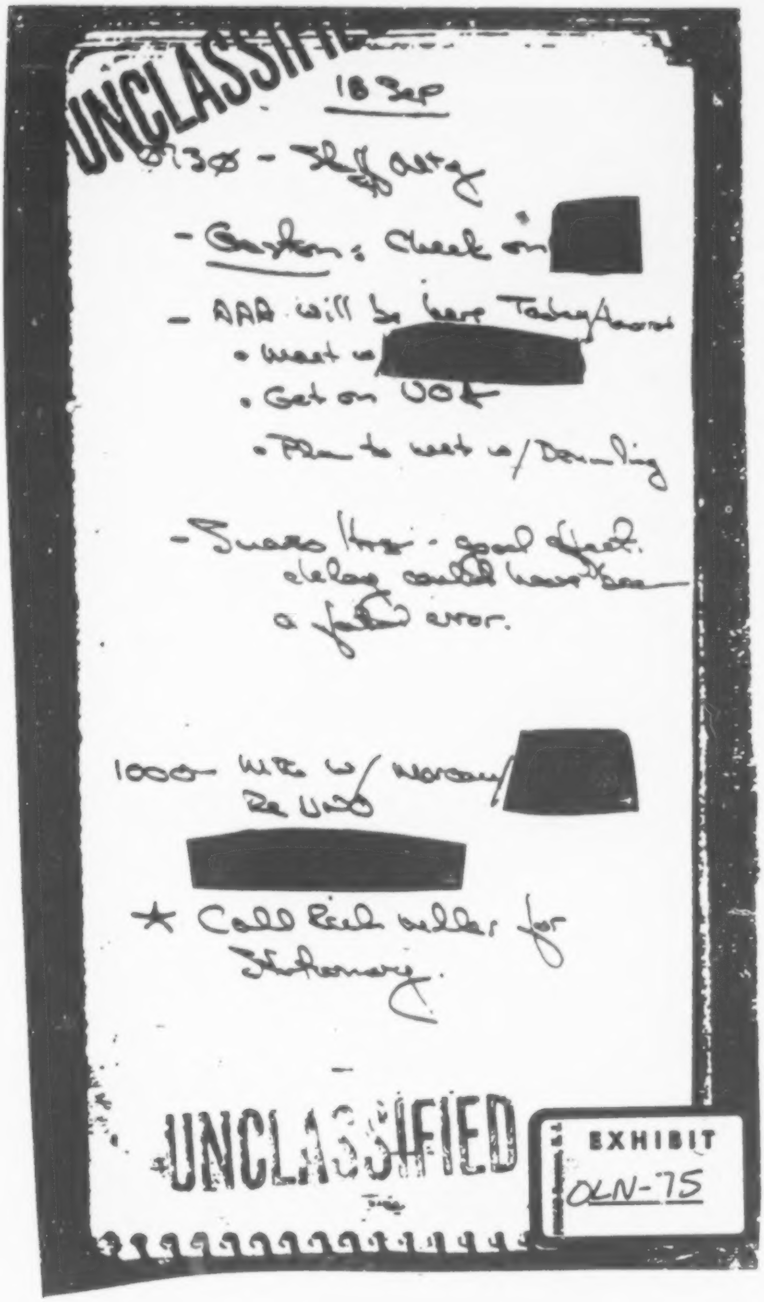
- Sympathetic

[redacted] wants to show appreciation

- Sing: need $2M in ~~supplies~~
  the next 2 wks - Air Charter
- Want to charter ($450K)
- Buy STOL + others = $2M
- USG $ will not be enough
- need: Generators
  Airplanes
  ~~boats~~
- Please call Gaston or North
- Will provide assistance
- Longer range need $5M
- Ask Gaston
- Either or both can arrange
  ~~to take to~~ [redacted]
- Total about 3 separate actions
  (Clark, Whelan [PF.00],
  ✓ Singlaub)
- ~~Epta~~ Emphasized [redacted] Visit
  GEOMILTEC
- ~~Geomil~~ for Israeli Torpedos
  for 200 [redacted] Studley.

UNCL

Exhibit OLN-75



UNCLASSIFIED

18 Sep

0730 - Staff mtg

- Gaston: Check on [redacted]
- AAA will be here Today/Tomorrow
  - Meet w/ [redacted]
  - Get on UOK
  - Plan to meet w/Dowling
- Suazo Hosp - good effort. delay could have been a fatal error.

1000 - Mtg w/ Moreau/[redacted] Re UNO

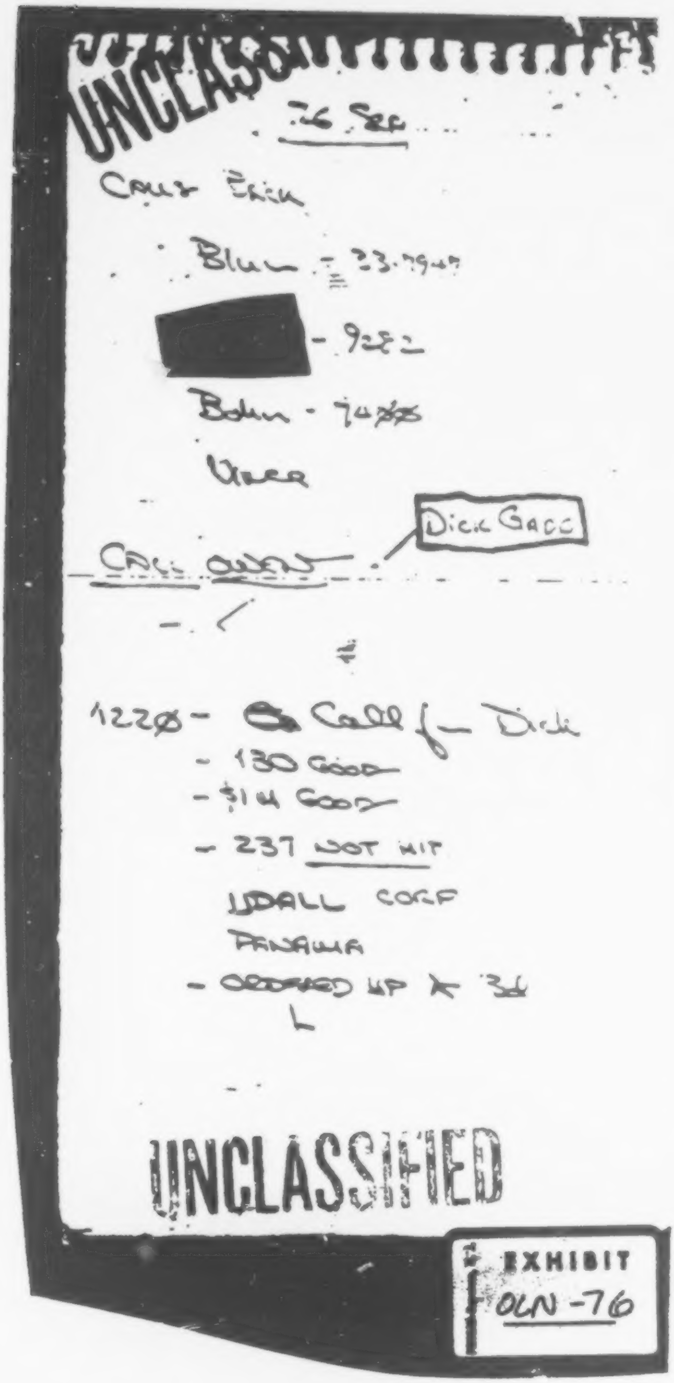
[redacted]

★ Call Rich Miller for Stationary.

UNCLASSIFIED

EXHIBIT OLN-75

EXHIBIT OLN-76



UNCLASSIFIED

26 SEP

CALL ERICK

Blum - 23-7947

[redacted] - 9282

Bohn - 7488

Vacca

Dick Gadd

CALL OWEN

1220 - Call for Dick

- 130 GOOD
- $14 GOOD
- 237 NOT HIT

UDALL CORP

PANAMA

- ORDERED UP X 3d

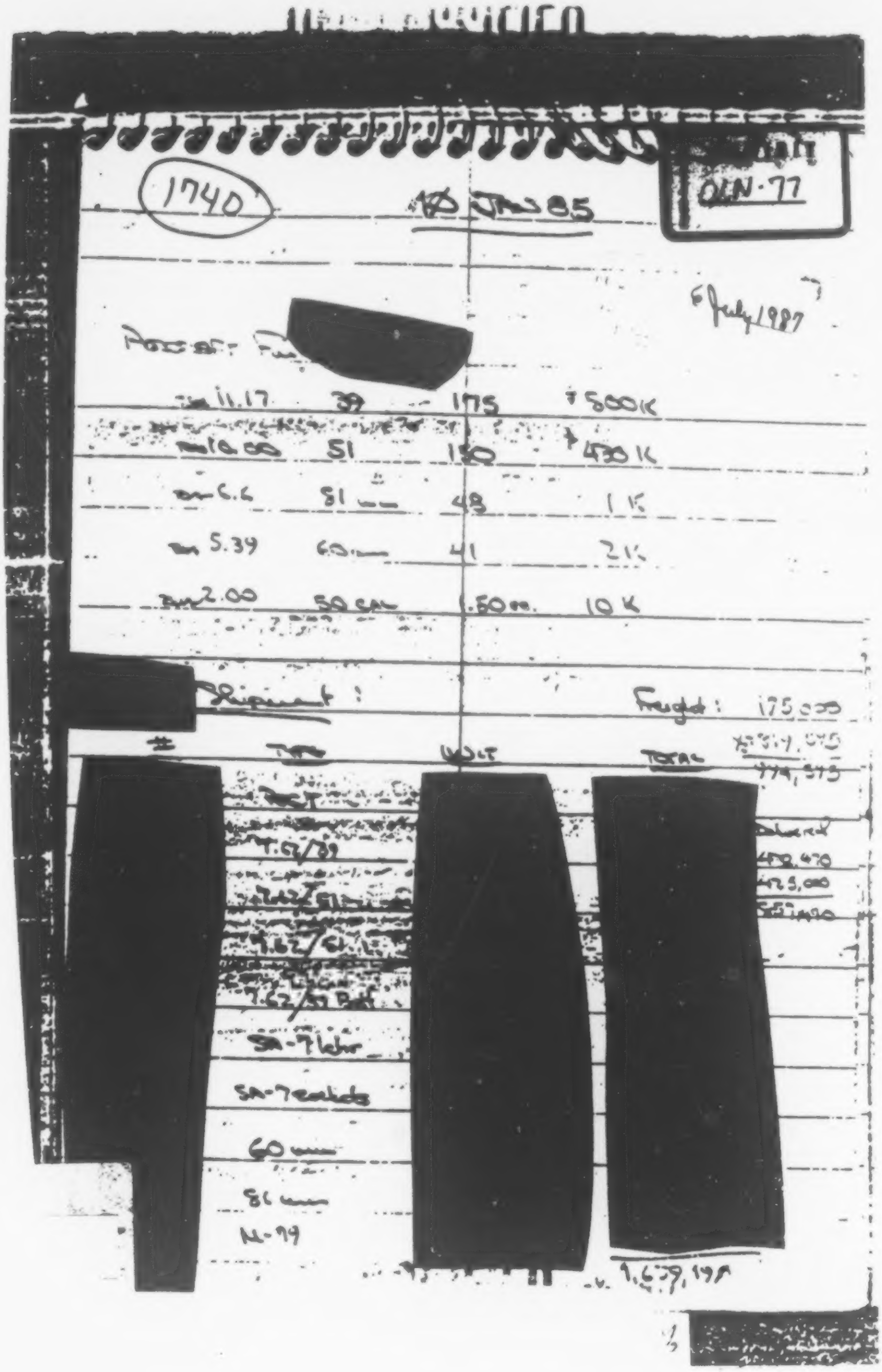
L

UNCLASSIFIED

EXHIBIT

OLN-76

EXHIBIT OLN–77



[redacted]

(1740)

~~10~~ JAN 85

EXHIBIT OLN-77

6 July 1987

Present Fu [redacted]

Dm 11.17	39	175	$ 500K
Dm 10.00	51	150	$ 450 K
Dm 6.6	81 mm	48	1 K
Dm 5.39	60 mm	41	2 K
Dm 2.00	50 CAL	1.50 m.	10 K

[redacted] Shipment :

Freight : 175,000

[illegible]

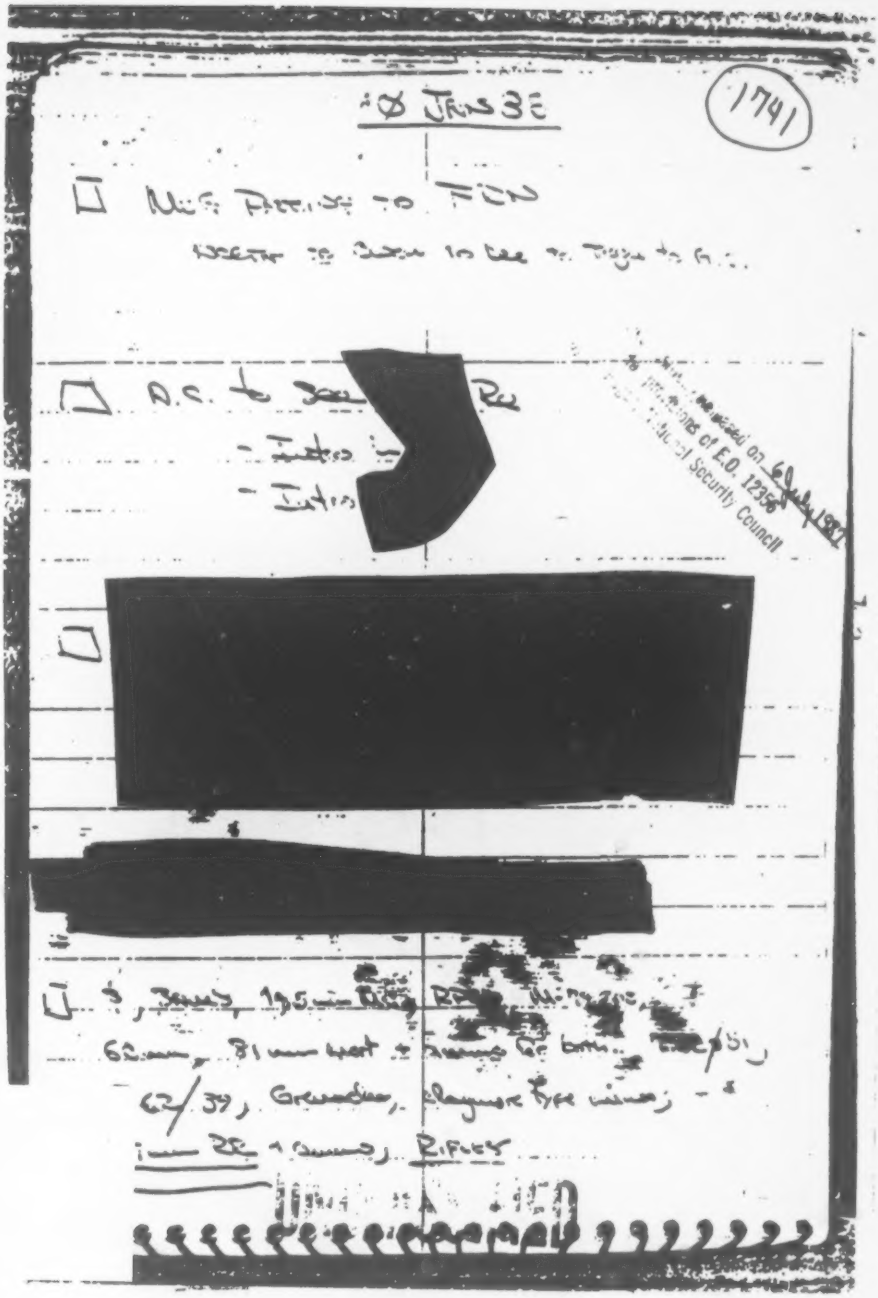
774,575

#	Type	Unit	Total
[redacted]	RPG	[redacted]	[redacted]
[redacted]	7.62/39	[redacted]	[redacted]
[redacted]	7.62/51	[redacted]	[redacted]
[redacted]	7.62/51	[redacted]	[redacted]
[redacted]	7.62/39 Bull	[redacted]	[redacted]
[redacted]	SA-7 launcher	[redacted]	[redacted]
[redacted]	SA-7 missiles	[redacted]	[redacted]
[redacted]	60 mm	[redacted]	[redacted]
[redacted]	81 mm	[redacted]	[redacted]
[redacted]	M-79	[redacted]	[redacted]

Delivered
450,470
425,000
55[illegible]

1,679,195

1/3 [redacted]



10 JAN 86

1741

☐ Mtg [illegible] to FCN

[illegible] to [illegible] re [illegible] to G[illegible]

☐ A.C. to [redacted] Re

- Intro [redacted]
- Intro [redacted]

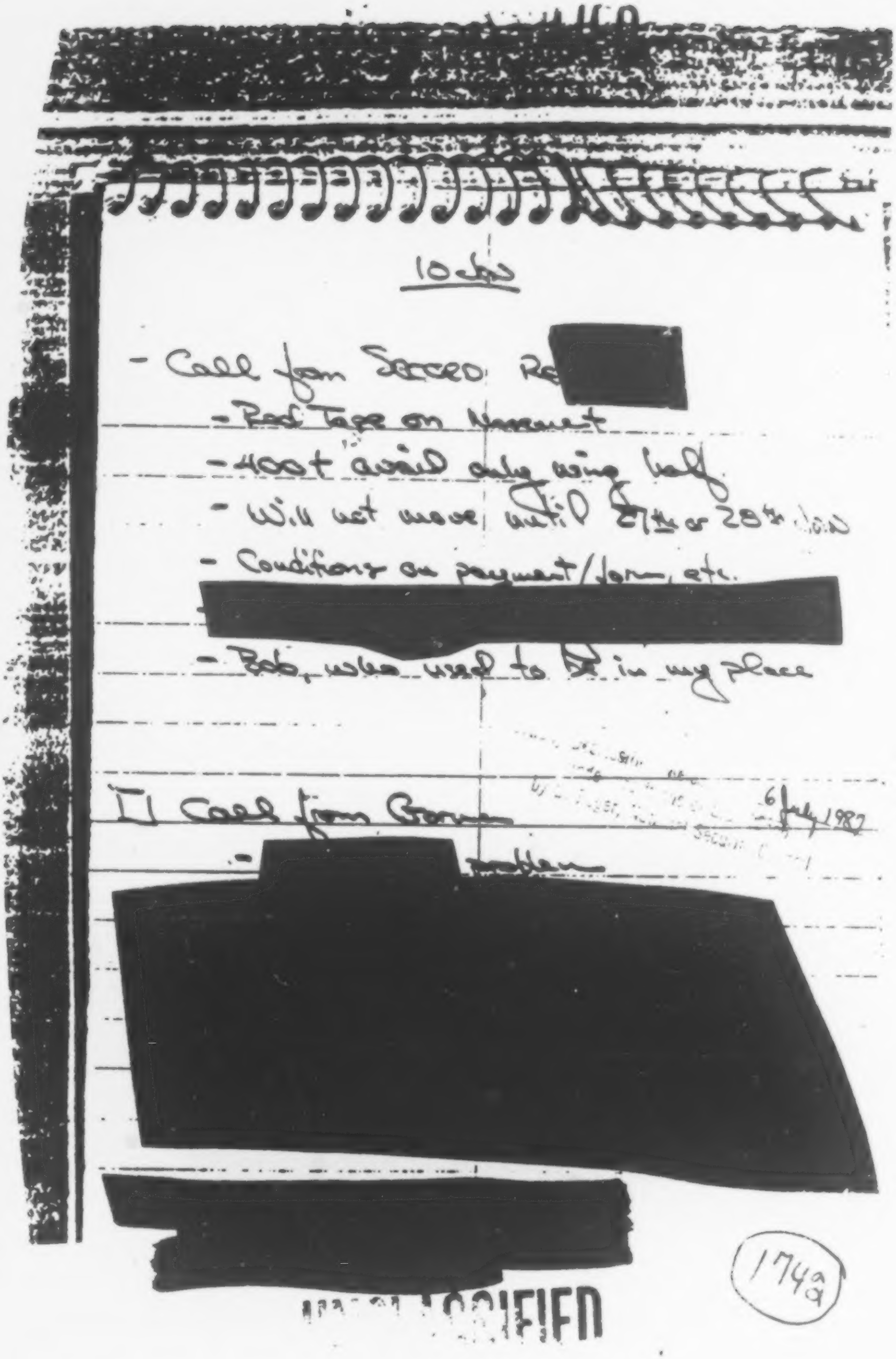
☐ [redacted]

[redacted]

☐ $, [illegible] 105 mm [illegible] RPG, Mortars, 60mm, 81 mm mort + Ammo for both, [illegible]/51, 67/37, Grenades, Claymore type mines; [illegible] ammo, Rifles

Partially Declassified/Released on 6 July 1987 under provisions of E.O. 12356 by National Security Council

UNCLASSIFIED



10 Jan

- Call from Secord Re [redacted]
  - Red Tape on Movement
  - 400t avail only using half
  - Will not move until 27th or 28th Jan
  - Conditions on payment/form, etc.
  - [redacted]
  - Bob, who used to be in my place

II Call from Gorm

- [redacted] matter

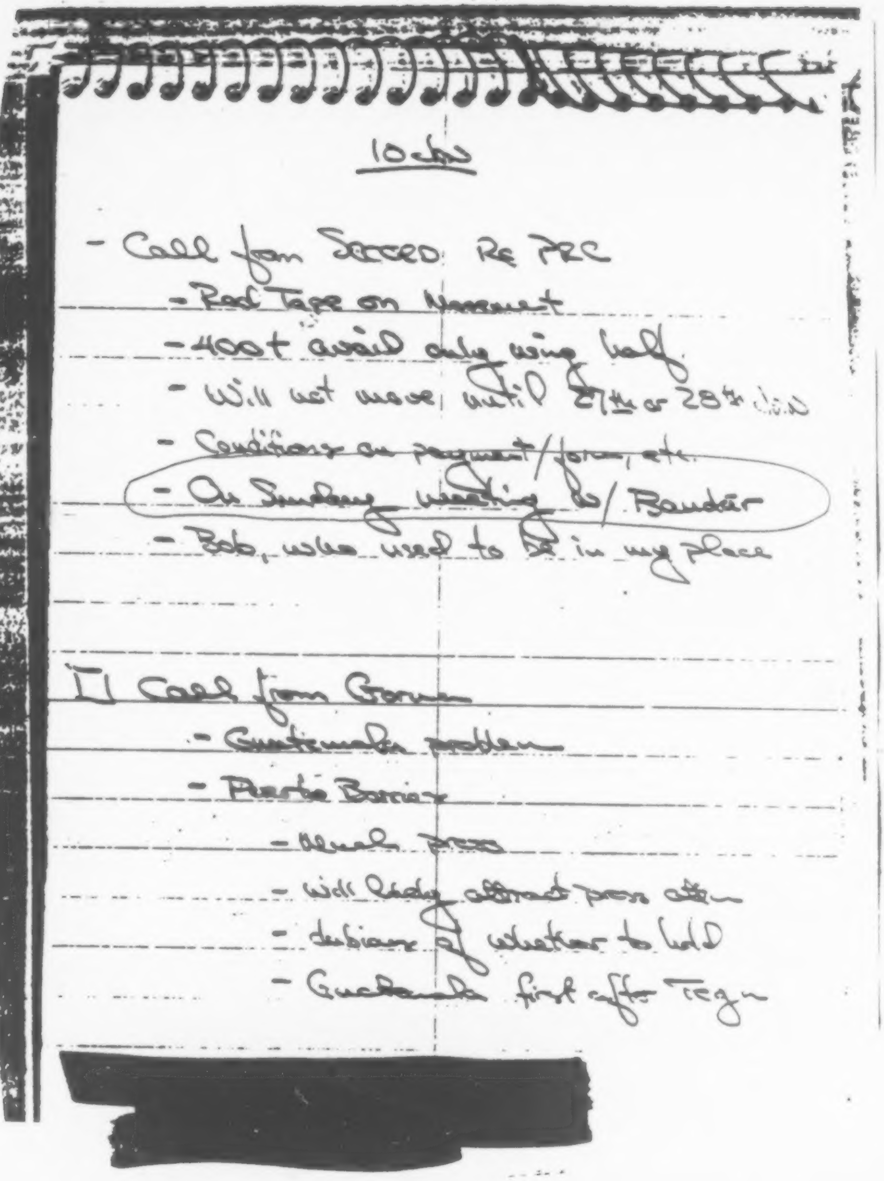
[redacted]

[redacted]

6 July 1987

174a

UNCLASSIFIED



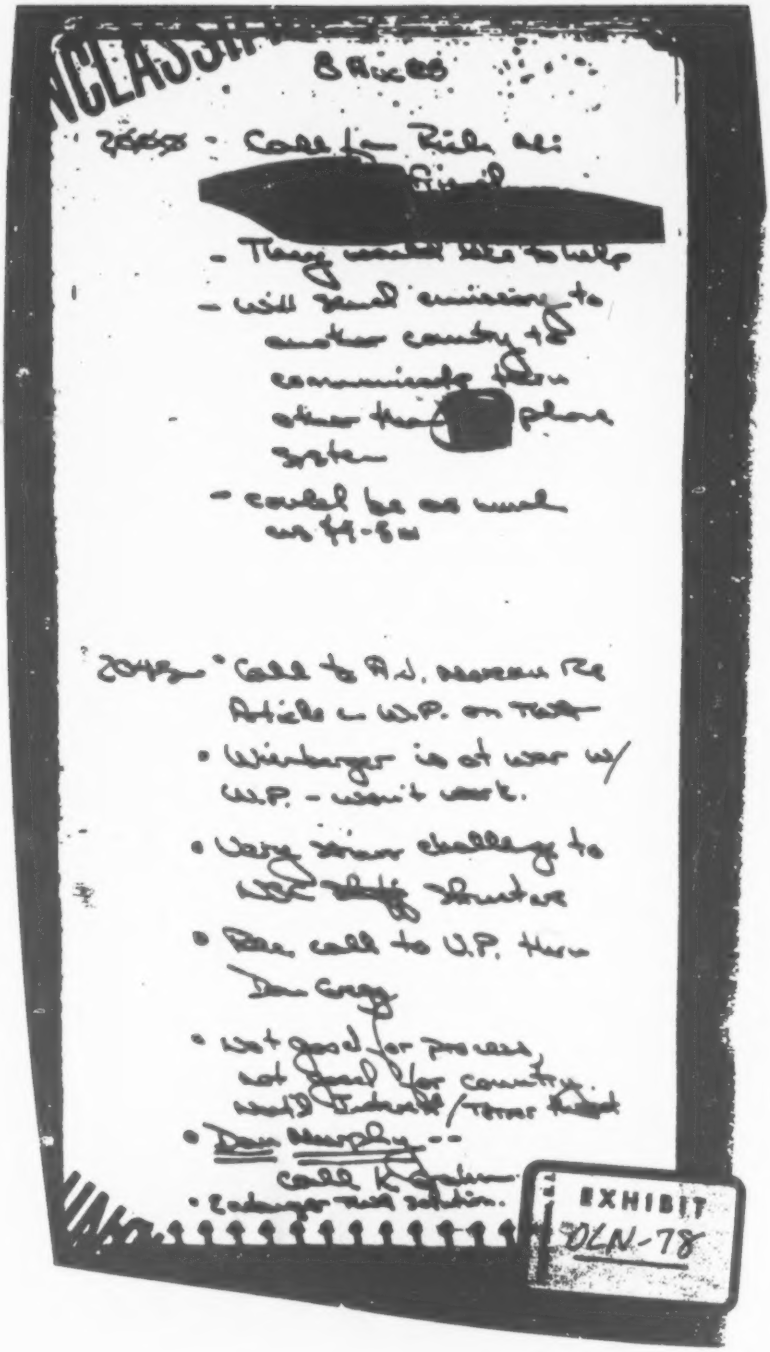
10 Jan

- Call from Secord: Re PRC
  - Red Tape on Movement
  - 400t avail only using half
  - Will not move until 27th or 28th Jan
  - Conditions on payment/form, etc.
  - On Sunday meeting w/ Bandar
  - Bob, who used to be in my place

II Call from Gorman
  - Guatemala problem
  - Puerto Barrios
    - Much press
    - will likely attract press atten
    - dubious of whether to hold
    - Guatemala first after Tegu

[redacted]

EXHIBIT OLN-78



NCLASSI

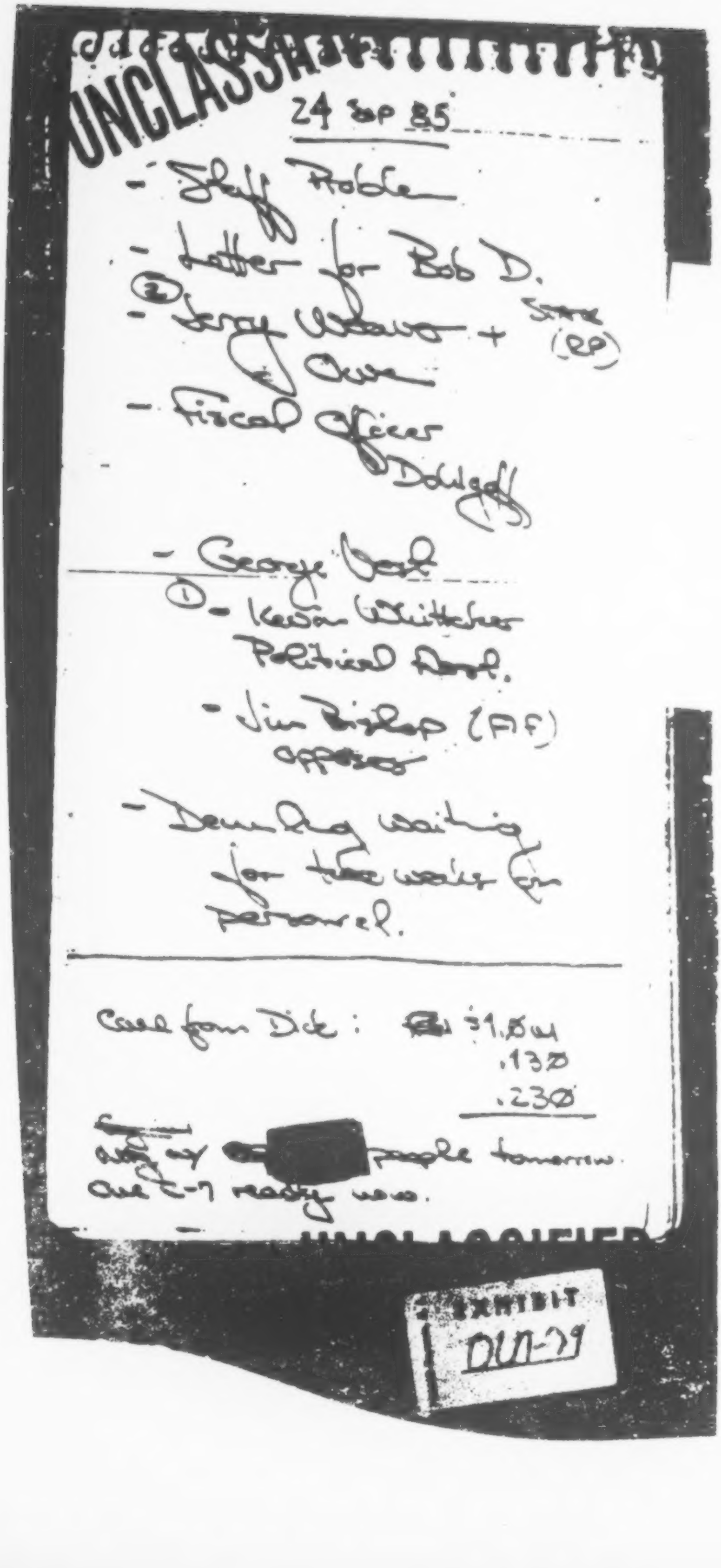
8 Aug 85

2000 - Call fm Rich re:
[redacted]
- They would like to help
- will send emissary to another country to communicate thru other than [redacted] phone system
- could be as early as [illegible]

2045 - • Call to A.J. Moreau Re Article in W.P. on [illegible]
- • Weinberger is at war w/ W.P. - won't work.
- • Very serious challenge to NSC Staff Structure
- • Rec. call to V.P. thru Don Gregg
- • Not good for process, not good for country. would Undercut/Terror [illegible]
- • Dan Murphy -- Call K. Graham
- • Endanger this solution.

EXHIBIT
OLN-78

EXHIBIT OLN-79



UNCLASSIFIED

24 Sep 85

- Staff Problem
- Letter for Bob D.
- ② Jerry Weaver + State (RP)
  - Owen
- Fiscal Officer
- Dolidgeff
- George Vest
- ① Kevin Whittaker Political Asst.
- Jim Bishop (AF) opposes
- Denning waiting for two weeks for personnel.

Call from Dick: $1.0M

.130

.230

away of [redacted] people tomorrow.

One C-7 ready now.

UNCLASSIFIED

EXHIBIT

OLN-79

EXHIBIT OLN-80

4 Feb

1743

☐ Call from Clair: Cable [redacted]

- highest levels of [redacted] increasingly nervous
- ~~[illegible]~~ to contribute $2M

Need W.H. indication

Was this discussed?

Further poss. [redacted]

[redacted] would loss -- be detrim

Passing [redacted] request on

Singlaub told

Partially declassified/released on 6 July 198
under provisions of E.O. 12356
by [illegible] National Security Council

☐ Call from Adolfo—

- His contact w/ Jacob - (Woody Jenkins)
- giving money out.
- Rodino/Adolfo / before meeting
  - -- only thing I have taken from you are
  - reminders are insults
  - -- Southern Front [redacted] needs recognition and division
  - -- Return to an outline on new gifts to keep
  - DC-3 [illegible] + 16's
  - [illegible]

EXHIBIT
OLN-80

IED

4 Feb

☐ Call fm Clair: Cable fm CIA Stn Korea
Gen Park (KCIA: d/s)
highest levels of GOK increasingly unsure
[illegible] to contribute $2M
Need W.H. indication
Via their channel?
Another poss. - Dining Jiung -
Amb. to U.S. would not be certain

Passing Park's request on

Singlaub told

☐ Call from Adolfo -
- His contact w/ Jeanie K - (Woody Jenkins)
- Lewis Tambs out.
- Arturo/Adolfo/Pastora meeting
-- only thing I have taken from you is
returned w/ are insults
-- Indians from El Dipa - needs recognition
and division
-- Arturo to all arbiter on new gifts to Korea
DC-3 - $[illegible] + 1[illegible]
reason for [illegible]

EXHIBIT OLN-81

UNCLASSIFIED

-- Reply to note of 06/10/86 23:21 [redacted]

NOTE FROM: JOHN POINDEXTER
Subject: PRIVATE BLANK CHECK

Out of the last NSPG on Central America Shultz agreed that he would think about third country sources. I wanted to get an answer from him so we could get out of the business. As I understand the law there is nothing that prevents State from getting involved in this now. To my knowledge Shultz knows nothing about the prior financing. I think it should stay that way. My concern was to find out what they were thinking so there would not be a screw up. I asked Elliot at lunch. He said he had recommended [redacted] where Shultz is going to visit. They have lots of money [redacted] It seems like a good prospect. Shultz agrees. I asked Elliot how the money could be transferred. He said he thought Shultz could just hand them an account number. I said that was a bad idea not at all letting on that we had access to accounts. I told Elliot that the best way was for [redacted] to direct their embassy here to receive a person that we would designate and the funds could be transferred through him. Don't you think that is best? I still want to

N 12545

#154

second part of #95 JMP 7/58 6

[redacted]

EXHIBIT
OLN-81

5/7/87

UNCLASSIFIED

[redacted]

UNCLASSIFIED

[redacted]

ILE: JUN86 OFSLOGFI AO WHITE HOUSE COMMUNICATIONS AGENCY

educe your visibility. Let me know what you think and I will talk to George.
agree about CIA but we have got to get the legislation past.
PRIVATE BLANK CHECK
SG FROM: NSOLB --CPUA TO: NSJMP --CPUA 06/10/86 23:21:50
o: NSJMP --CPUA

*** Reply to note of 08/31/85 13:26
NOTE FROM: OLIVER NORTH
Subject: PRIVATE BLANK CHECK

Hopefully you have by now been informed that UNO/FDN safely released the eight West Germans this evening just before dark at the religious commune at resillas. Franklin is headed North in attempt to get across the Rama Rd before the Sandinistas can close in on him. At this point the only liability we still have is one of DEMOCRACY INC.'s airplanes is mired in the mud (it is the rainy season down there) [redacted] They hope to have it out by dawn. On a separate but related matter: The reason why I asked to speak to you urgently earlier today is that Ray called Elliott Abrams regarding the third country issue. Elliott has talked to Shultz and had prepared a paper re going to the [redacted] and [redacted] for contributions. Elliott called me and asked "where to send the money." I told Elliott to do nothing, to send no papers andto talk to no one further about this until he talks to you. He is seeing you privately tomorrow. At this point I need your help. As you know, I have the accounts and the means by which this thing needs to be accomplished. I have no idea what Shultz knows or doesn't know, but he could prove to be very unhappy if he learns of the [redacted] and [redacted] aid that has been given in the past from someone other than you. Did RCM ever tell Shultz?

N 12546

UNCLASSIFIED

Jmp 7/59 (6-7)

EXHIBIT OLN-82

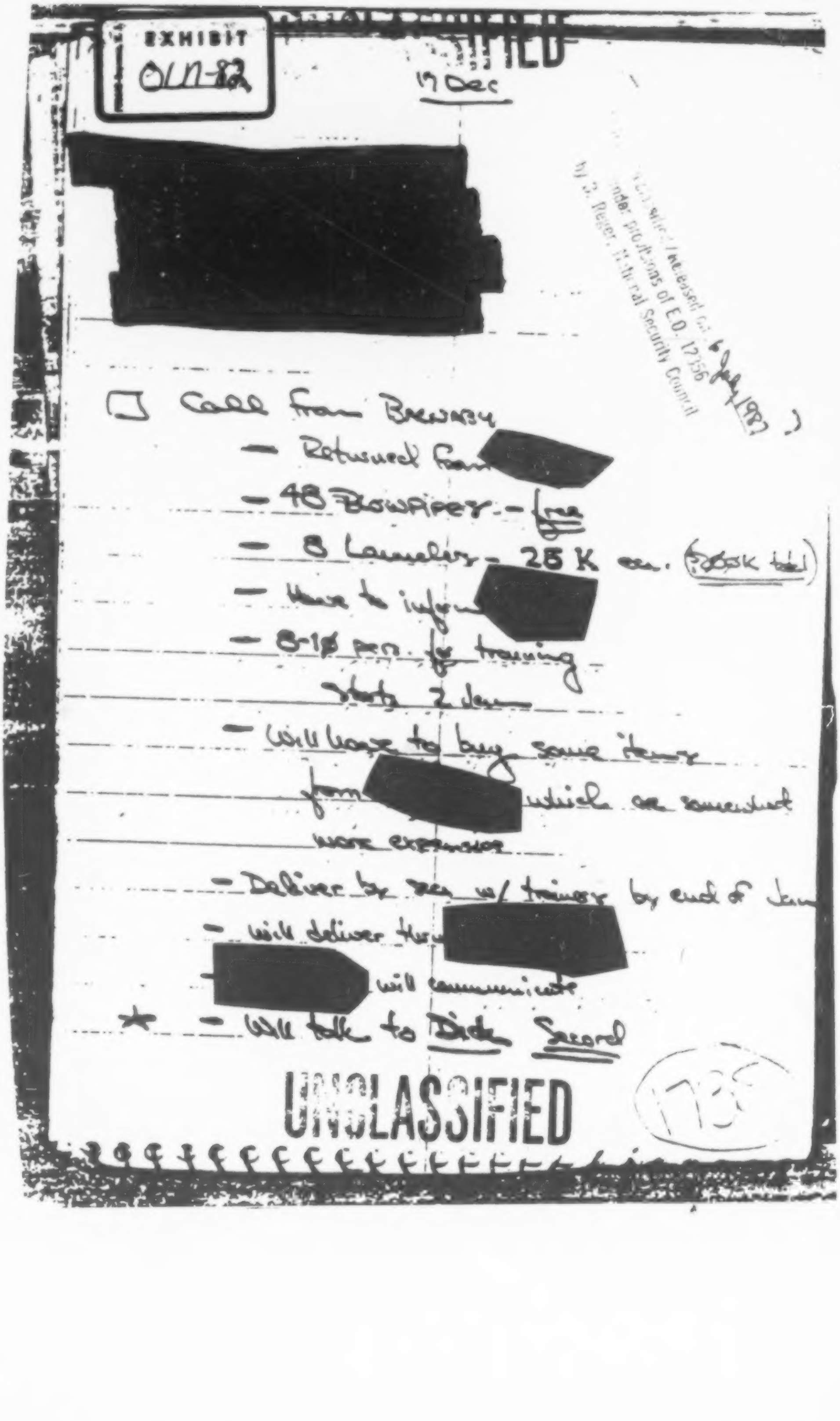


EXHIBIT
OLN-82

SIFIED

17 Dec

[redacted]

Declassified/Released on 6 July 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

☐ Call from Brenaby
- Returned from [redacted]
- 48 Blowpipes - free
- 8 Launchers - 25 K ea. (200K total)
- Have to inform [redacted]
- 8-10 pers. for training
  Starts 2 Jan
- Will have to buy some items
  from [redacted] which are somewhat
  more expensive
- Deliver by sea w/ trainers by end of Jan
- will deliver thru [redacted]
- [redacted] will communicate

★ - Will talk to Dick Secord

UNCLASSIFIED

1738

Exhibit OLN-83

UNCLASSIFIED

#2

~~TOP SECRET~~

Copp: 3/3/86 1745

of Short Bros. He advises that just making noise. still not approved by UK, to BP and, therefore, refuses to part with any BPs. wants paper from UX approving any transfer and cannot arrange. asking us to reinforce his bonafides [redacted]

underscoring our interest in a quick transfer of 6-10 BP. will explain context and get back to us next week. Can do? BT

4 May 87

~~TOP SECRET~~ TOP SECRET

EXHIBIT
OLN-83

2

EXHIBIT OLN-84

#3

TOP SECRET

UNCLASSIFIED

~~TOP SECRET~~

Copp: 3/6/86 1220

Ref my earlier message on and blow pipes. reports yesterday that latest effort failed. This because he told USG was behind him and he sent a letter to asserting this. Letter was signed by a private citizen and it turned [redacted] off. will be in three days. Meanwhile, he needs your support as requested in my earlier message.

Also request you rturn Mr. Synott's call to you -- he is Short Bros rep in Washington (293-7371). If possible, we need to tell them that U.S. supports transfer of small number of BPS to contras. BT

4 May 87

EXHIBIT
OLN-84

~~TOP SECRET~~

TOP SECRET

UNCLASSIFIED

N137
12/1/90

EXHIBIT OLN-85

[redacted] [illegible]

UNCLASSIFIED

-- SECRET --

[redacted]

03/20/86 20:46:10

[redacted]

MSG FROM: NSOLN --CPUA TO: NSJMP --CPUA 03/26/86 08:33:29
To: NSJMP --CPUA

*** Reply to note of 03/22/86 13:26

-- SECRET --

NOTE FROM: OLIVER NORTH
Subject: [redacted]
Yes, Oakley is [redacted] of all but Ergo action. On the issue: the proposal to dispatch is still under review by the OSG. At Monday's mtg [redacted] decided to have and CIA present a final proposal to the OSG at next week's mtg and then a final recommendation wd come fwd after the mtg

MSG FROM: NSOLN --CPUA TO: NSRCM --CPUA 03/26/86 09:19:12
To: NSRCM --CPUA

*** Reply to note of 03/20/86 23:06

-- SECRET --

NOTE FROM: OLIVER [redacted]
Subject: Anything New??
After the House vote on aid to the resistance, I plan to take a few days just to get re-acquainted w/ the family. Meanwhile, we are trying to find a way to get 10 BLOWPIPE launchers and 20 missiles thru the Short Bros. Rep. The V.P. from Short Bros. sought me out several mos. ago and I met w/ him again a few weeks ago when I was there. Short Bros., the mfr. of the BLOWPIPE, is willing to arrange the deal, conduct the training and even send U.K. "tech reps" fwd if we can close the arrangement. Dick Secord has already paid 10% down on the delivery and we have a EUC which is acceptable to the Unfortunately, the week all this was going to closure we decided to go fwd [redacted]
The arrangement is now on ice and we are casting about for a way to tell the that we wd be pleased if this all went thru. Yr thoughts wd be appreciated.

N 12139

Partially Declassified/Released on 5/6/87
under provisions of E.O. 12356
by [illegible], National Security Council

EXHIBIT
OLN-85

UNCLASSIFIED

(412)

FILE: NOTE [redacted] @ NHI JUSX COMMUNICATIONS AGENCY **UNCLASSIFIED** PAGE 090

N 12130

On our other action, there are fresh developments. Yesterday, called the phone drop that Dick Secord had given him. Al Hakim, who we passed off as a "White House interpreter" at the Frankfurt mtg. spoke to twice yesterday. The bottom line of the calls is that we like to have a meet w/ the Iranian side next week at Kharg Island. Supposedly, during the mtg the hostages wd be released and we wd immediately start delivering the 3K TOWs and agree at the mtg to the delivery of spare parts which they desperately need. They profess to be very concerned about the nature of the Soviet threat and want all we can give them on that score. Not sure at this point how real this offer is, but he says Rafsanjani wd come as the head of the Iranian side. If this looks like a go -- and we shd know more tomorrow when the next phone call is scheduled--how are you for travel during the week of 31Mar-4Apr? Warm regards, North BT

Anything Now??

[redacted]

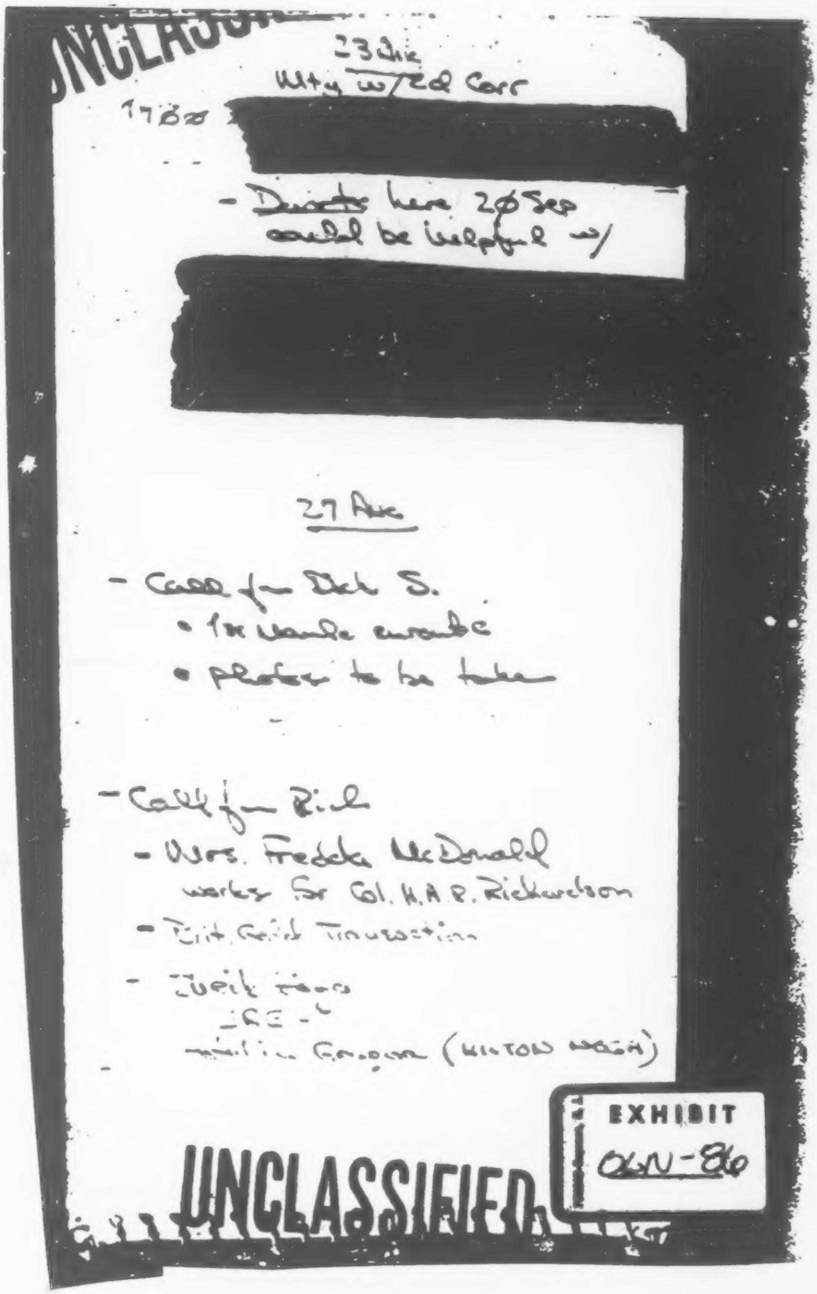
2°

...eased on 5/6/87
... E.O. 12356
... National Security Council

UNCLASSIFIED

(413)

EXHIBIT OLN-86



UNCLASSIFIED

23 Aug

Mtg w/ Ed Carr

1700 [redacted]

- Duarte here 20 Sep could be helpful w/

[redacted]

27 Aug

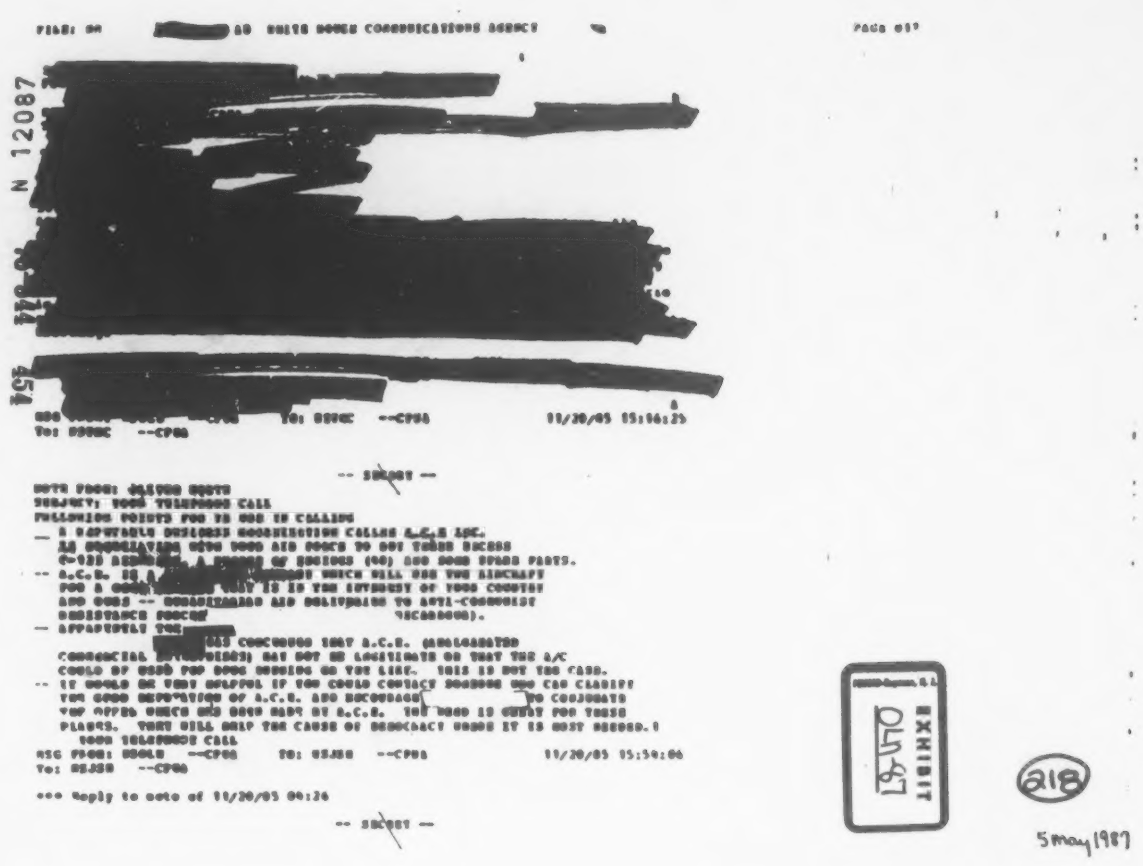
- Call from Dick S.
  - 1st Wanda enroute
  - photos to be taken

- Call from Rich
  - Mrs. Fredda McDonald works for Col. H.A.P. Richardson
  - Brit. Gold Transaction
  - [illegible] here
    [illegible]
    [illegible] Group (HILTON WASH)

UNCLASSIFIED

EXHIBIT OLN-86

EXHIBIT OLN-87



FILE: OM [redacted] AD WHITE HOUSE COMMUNICATIONS AGENCY PAGE 017

N 12087 [redacted] 454

MSG FROM: [redacted] --CPUA TO: NSRC --CPUA 11/20/85 15:16:25
To: NSRC --CPUA

-- SECRET --

NOTE FROM: OLIVER NORTH
SUBJECT: YOUR TELEPHONE CALL
FOLLOWING POINTS FOR YR USE IN CALLING
— A REPUTABLE BUSINESS ORGANIZATION CALLED A.C.E INC.
IS NEGOTIATING WITH YOUR AIR FORCE TO BUY THREE EXCESS
C-123 AIRCRAFT, A NUMBER OF ENGINES (40) AND SOME SPARE PARTS.
-- A.C.E. IS A [redacted] WHICH WILL USE THE AIRCRAFT
FOR A [redacted] THAT IS IN THE INTEREST OF YOUR COUNTRY
AND OURS -- HUMANITARIAN AID DELIVERIES TO ANTI-COMMUNIST
RESISTANCE FORCES (NICARAGUA).
— APPARENTLY THE [redacted] HAS CONCLUDED THAT A.C.E. (AMALGAMATED
COMMERCIAL [redacted]) MAY NOT BE LEGITIMATE OR THAT THE A/C
COULD BE USED FOR DRUG RUNNING OR THE LIKE. THIS IS NOT THE CASE.
-- IT WOULD BE VERY HELPFUL IF YOU COULD CONTACT SOMEONE WHO CAN CLARIFY
THE GOOD REPUTATION OF A.C.E. AND ENCOURAGE TO CONSUMMATE
THE OFFER WHICH HAS BEEN MADE BY A.C.E. THE NEED IS GREAT FOR THESE
PLANES. THEY WILL HELP THE CAUSE OF DEMOCRACY WHERE IT IS MOST NEEDED.!
YOUR TELEPHONE CALL
MSG FROM: NSOLN --CPUA TO: NSJSR --CPUA 11/20/85 15:50:06
To: NSJSR --CPUA

*** Reply to note of 11/20/85 09:26

-- SECRET --

EXHIBIT
OLN-87

218

5 may 1987

EXHIBIT OLN-88

#6

FM GOODE

UNCLASSIFIED

~~(TOP SECRET)~~

The unit of which we wanted to drop in the southern quadrant of Nicaragua is in desperate need of ordnance resupply. We had planned to do a material drop from the supplies we are bringing into but the units - headed by cannot wait. Have therefore developed an alternative plan which has been briefed on and in which he concurs. The L-100 which flies from to on Wednesday should terminate it's NHAO mission on arrival at At that point it should load the supplies at which - theoretically is assembling today at - and take them to These items should then be transloaded to the C-123 after being properly rigged. On any night between Wednesday, Apr 9, and Friday, Apr 11 these supplies should be dropped by the C-123 in the vicinity of The A/C shd penetrate Nicaragua across the Atlantic Coast shouth of Call signs freqs and zone marking light diagram to be provided to Ralph at by the new UNO Sur operator we are taking care of. Hope we can make this happen the right way this time. If we are ever going to take the pressure off the northern front we have got to get this drop in quickly. Please make sure that this is retransmitted via this channel to Ralph, Sat and Steele. Owen already briefed and prepared to go w/ the L-100 out of if this will help. Please advise soonest.

Warm regards,

Goode

BT

EXHIBIT
OLN-88

4 May 87

EXHIBIT OLN-89

~~SECRET~~

~~SECRET~~
UNCLASSIFIED

0319

[redacted] 6/26/86 2130

The pilots and repair people are talking about a week to ten days before they can use the C-123 again and that is only if we are able to find the necessary part very quickly. The dual navigation systems aboard the aircraft showed them to be within 1 to 1.5 MI of the DZ for over 40 minutes. They were never able to see zone lights and never had contact on the radio on either channel. The pilots never had the agreed upon proposed run-in heading, possible enemy locations or recommended pull out direction to avoid enemy fire. The pilots described the fire as intense AA MG fire, probably 12.7. We are committed to commencing drops to the FDN by C-7 tomorrow night but can delay for one night to do your drop if we can get the necessary info for the pilots. To facilitate, have asked Ralph to proceed immediately to your location. I do not think we ought to contemplate these operations without him being on scene. Too many things go wrong that then directly involve you and me in what should be deniable for both of us. We still don't know what the medicine is for treating mountain leprosy. I was asked to provide 1500 doses for inclusion in the drop and we don't even know what we are supposed to be providing. I know we can do better; we have got to if these brave people -- the fighters and the pilots are to survive the experience. Help. BT NORTH

(999)

Partially Declassified/Released on 18 May 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

~~SECRET~~

~~SECRET~~
UNCLASSIFIED

EXHIBIT
OLN-89

N 10

EXHIBIT OLN-90

1435 HRS. Local [redacted] 06-16-86.

1. [redacted] received MSJ. from the farm. They are very happy awaiting Caribu. Can we send them tomorrow?

2. Drops will take place at [redacted] and [redacted]

3. We have run out of funds. Pls send ASAP, Ramon again using money of his own. Also construction not started for same reason.

4. I will leave tomorrow morning for [redacted] but will be back late afternoon same day.

FIN

162030Z Jun 86 from Ralph via Max. Understand FDN wants to start flying men into Chontales and Zelaya Central starting tomorrow. I have no problem with that if you don't. C-7 should be ready. Rules remain as I gave them to you before... They must provide necessary EET on DZ and route, we will not drop any people. The A/C crew has final go vote for ops. Be sure Max has O.K. from our host. Suggest transfer fuzz busters to C-7 for this event. Did they do you any good on last mission? Call on the machine if you have any questions. Bob B.T.

>

Bob to Max 170030 Jun 86 Need to determine capability to fly support mission to same troops as Sat nite with C-7 using West as refueling stop. Want mission tomorrow nite. Advise how much load can be carried. Frank says situation desperate. Ralph is coordinating with FDN people. This mission will take priority since we would like to get at least one drop into them. Their problem Sat nite was that ground troops had misidentified their position. Work the details and advise ASAP Bob

EXHIBIT
OLN-90

0030L Max to Bob 1. C-7 will try mission tomorrow night 2. load 500x 3 Advise location of DZ if changed & light pattern used to mark DZ to mission on info provided on Wed 4 Revisited CH 2 and Ch 4 advise UNO troops to monitor - MHZ for both comms. we suggest C-7 call is Rico 5 UNO troops call sign Pedro 6 Advise direction when heard C-123 N or So. 7 TOT : 8 Pls answer tonight but no later than 0800L DC time tomorrow.

Bob to Max then Ralph :: Goode's office far unable to determine exact location of troops. Therefore, tomorrow fly in support of northern ops. forces. We will fly the southern mission when we get the no 1 C-7 operating or use No 2 later in the week. Bob

Note from Goode: Can Bill help UNO fix DC-4 or 6? Can we get PSP or something @ plantation so can use R/W? What is being done to ~~fix~~ R/W now? Do we need to buy another A/C to cover Southern ops [illegible] behind?

From Ken .. Need Omega units at Cinci. Need to get 3 more long range [illegible]. N1A

EXHIBIT OLN–91

EXHIBIT
OLN-91

This Documet
Deleted in its
Entirety

#402005
Dated: 2/7/85

EXHIBIT OLN-92

UNCLASSIFIED

ROUTING

To	Name and Address	Date	Initials
1	Robert McFarlane	5/17	
2			
3			
4			
5			
6			

XX	ACTION		FILE
	APPROVAL		INFORMATION
	COMMENT		PREPARE REPLY
	CONCURRENCE		RECOMMENDATION
	DIRECT REPLY		RETURN
	DISPATCH		SIGNATURE

REMARKS:
cc: Oliver North (#2 and 3)
Jim Radzimski (#4)

To JM
Pls return
direct to
North

SECRET EYES ONLY

SECRET
N 7129

NSC/ICS CONTROL NO. 400258

COPY NO. 1 OF 4

HANDLE VIA SYSTEM IV CHANNEL ONLY

NSC INTELLIGENCE DOCUMENT

8 July 87

Warning Notice
Intelligence Sources and Methods Involved
NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

EXHIBIT
OLN-92

1980

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SECRET EYES ONLY

UNCLASSIFIED

SECRET

No. ________

COPY ________

NATIONAL SECURITY COUNCIL INFORMATION

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Access List

DATE	NAME	DATE	NAME

UNCLASSIFIED

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MEMORANDUM

NATIONAL SECURITY COUNCIL

SYSTEM IV
NSC/ICS-400258

N 7127

March 15, 1985

~~SECRET~~

EYES ONLY

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: Meeting with Arturo Cruz

In accord with your instructions relayed through VADM Poindexter, I met with Arturo Cruz on the afternoon of March 12, to discuss his funding [redacted]

--

--

--

He specifically asked if there was [redacted] which would provide funds commensurate with his earning capabiliti were he not engaged in the resistance effort. He noted that his annual salary prior this involvement was in excess of $7,500 per month [redacted]

~~SECRET~~
Declassify: OADR

UNCLASSIFIED

EYES ONLY

UNCLASSIFIED

N 7128

Unless otherwise directed, I will proceed as follows:

-- Adolfo Calero will deposit $6,250 per month in Cruz' checking account without Cruz' knowledge. Calero will be aware that he is funding Cruz. The CIA will not be told of the new source for Cruz' funds.

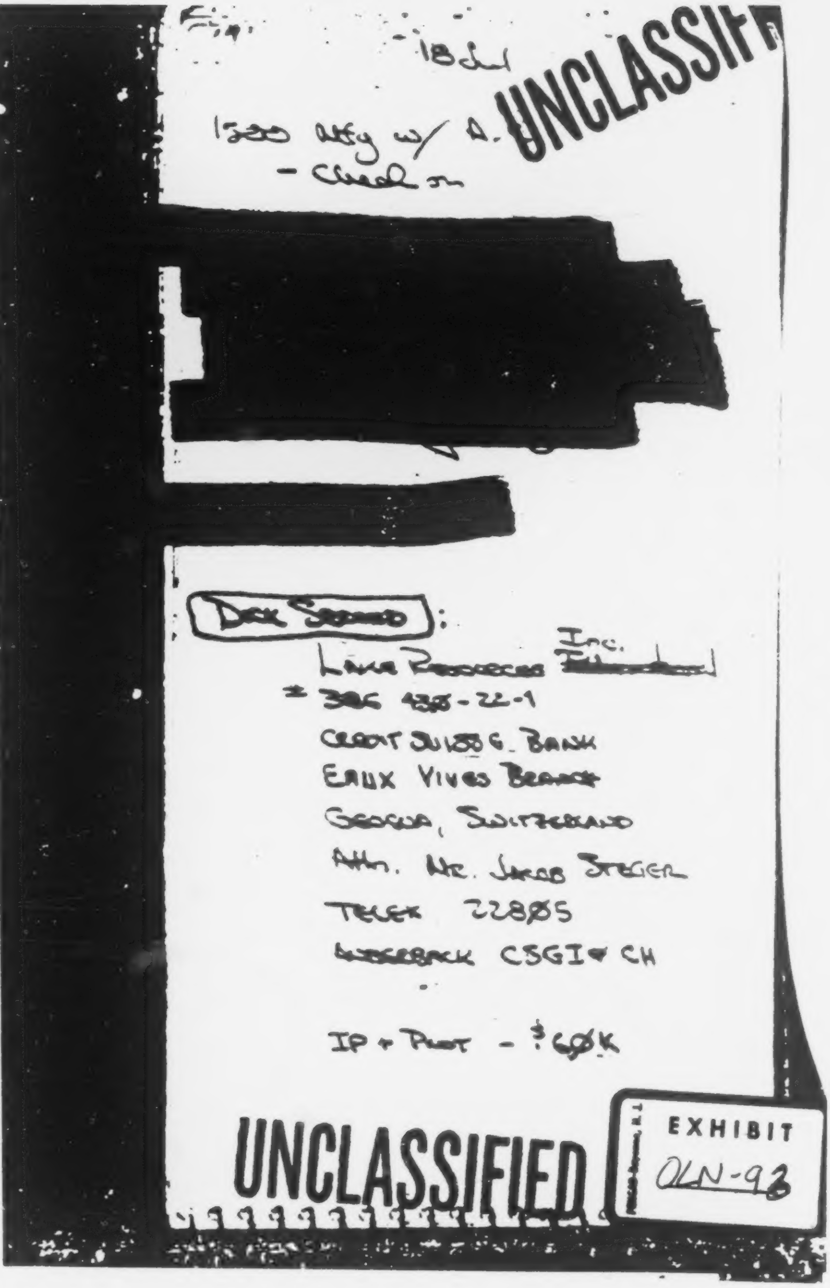
-- Contact will be established with a legitimate publisher or foundation to assume Calero's role as soon as possible. Cruz will be asked to sign a normal business contract with this publisher or foundation.

RECOMMENDATION

That you authorize me to proceed as indicated above.

Approve RCM Disapprove _____

Exhibit OLN-93



18 Jul

1330 Mtg w/ A.
- Check in

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[redacted]

[redacted]

Dick Secord:
Lake Resources Inc. ~~[illegible]~~
386 430-22-1
Credit Suisse Bank
Eaux Vives Branch
Geneva, Switzerland
Attn. Mr. Jakob Steiger
Telex 22805
Answerback CSGI CH

IP + Pilot - $60K

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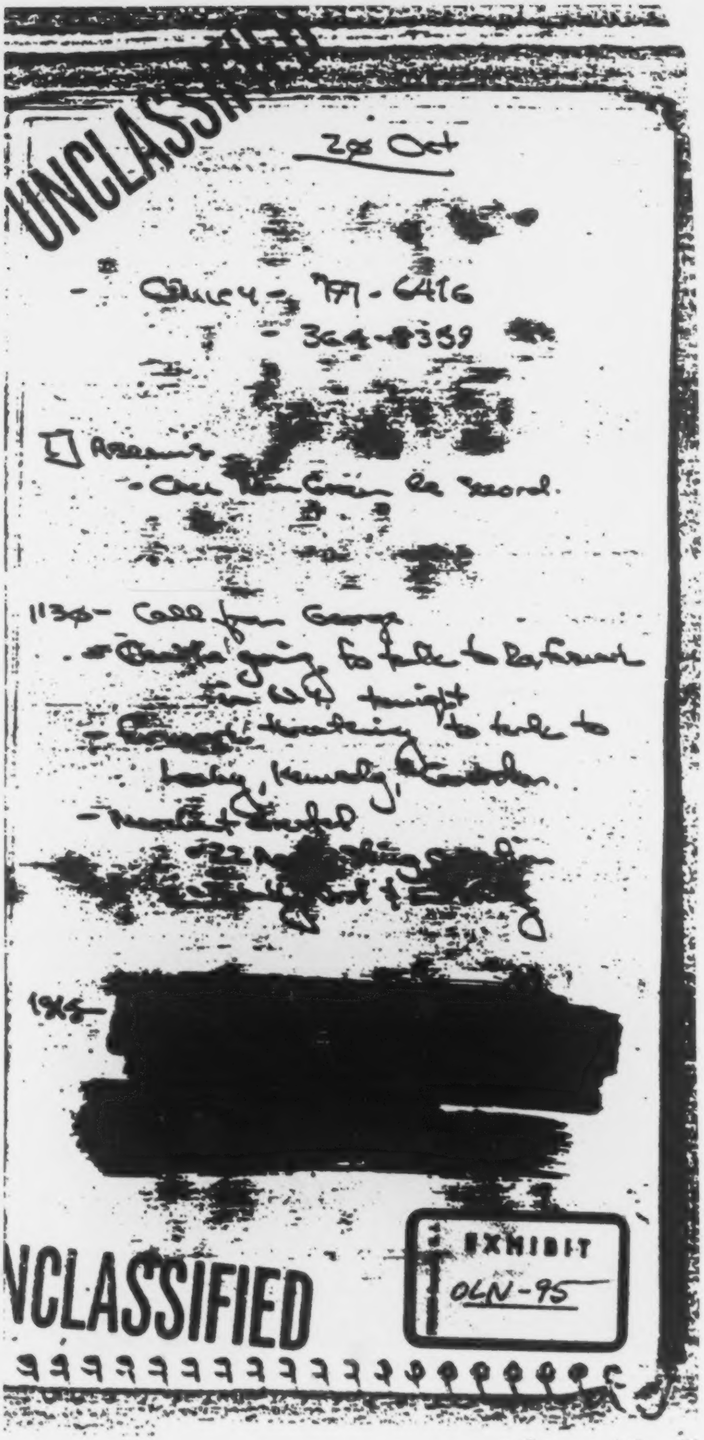
EXHIBIT
OLN-93

Exhibit OLN-94

(DELETED)

EXHIBIT 94

EXHIBIT OLN-95



UNCLASSIFIED

20 Oct

- Gailey - 777-6416
  - 364-8359

☐ Abrams
- Call Tom Green re Secord.

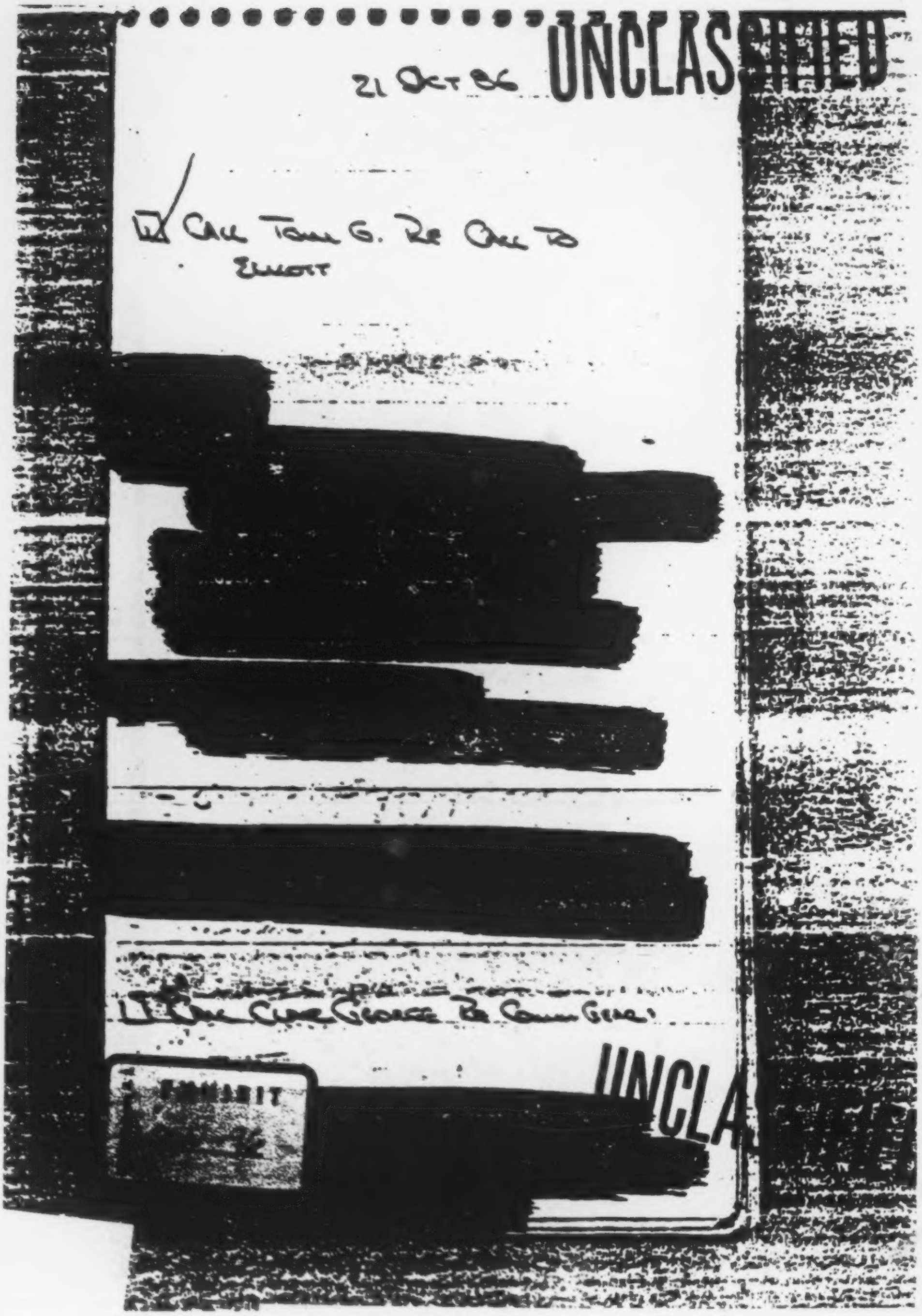
1130 - Call from George
- Ghorbanifar going to talk to Roy Furmark for [illegible] tonight
- Furmark threatening to talk to Leahy, Kennedy, Cranston.
- [illegible]
  - 22 [illegible]

1915 - [redacted]

UNCLASSIFIED

EXHIBIT
OLN-95

EXHIBIT OLN-96



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21 OCT 86

☑ CALL TOM G. RE CALL TO ELLIOTT

[redacted]

[redacted]

[redacted]

☐ CALL CLAIR GEORGE RE COMM GEN.

EXHIBIT
96

[redacted]

UNCLA

EXHIBIT OLN-97

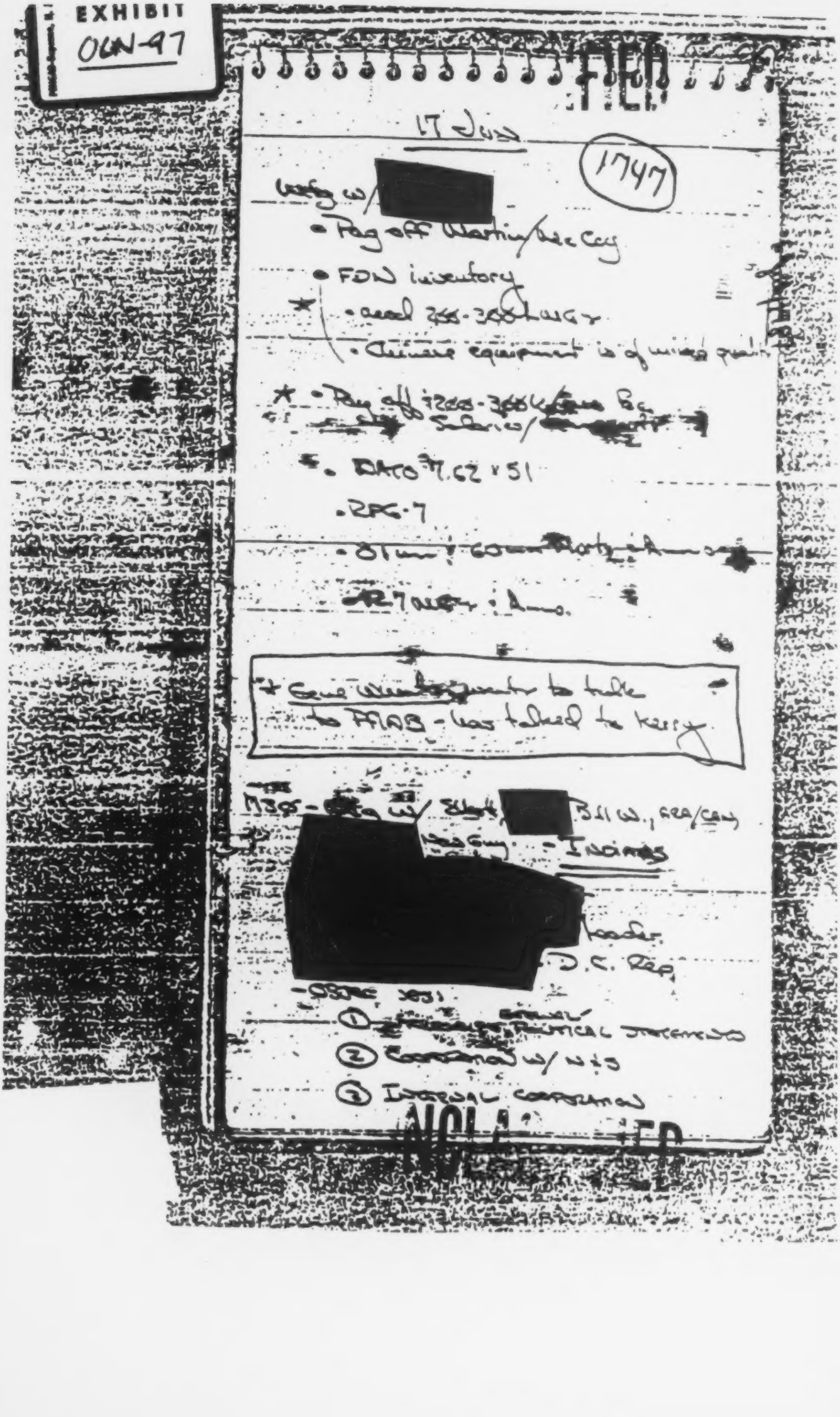


EXHIBIT
OLN-97

FIED

17 Jun

1747

Mtg w/ [redacted]
- Pay off Washington/Sec Coy
- FDN inventory
- * need 200-300 launchers
- Chinese equipment is of mixed quality

* - Pay off $200-300K ~~[illegible]~~ Sec.
~~[illegible]~~ Salaries/ ~~[illegible]~~

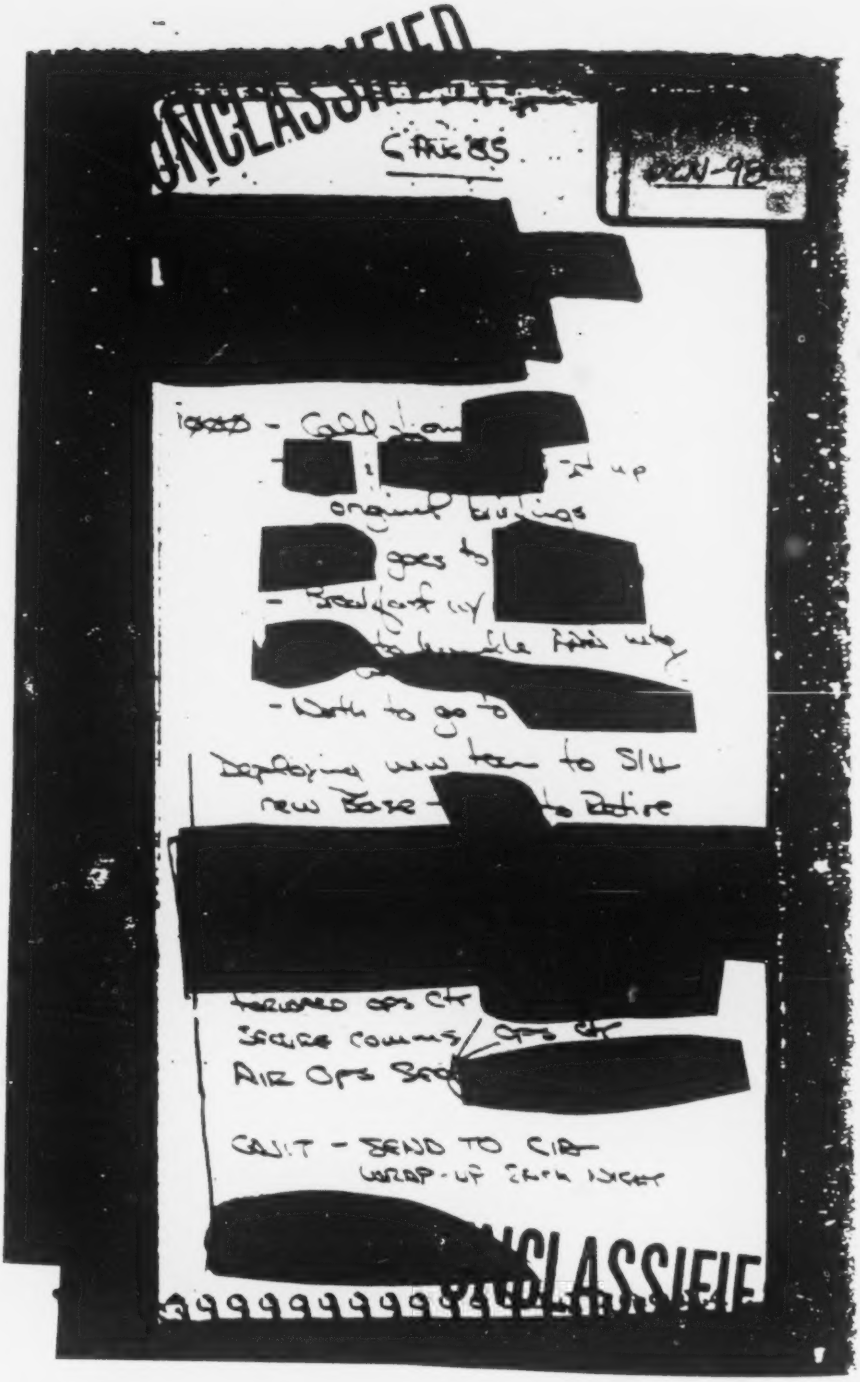
- NATO 7.62 x 51
- RPG-7
- 81mm & 60mm Mortar Ammo
- AK-47 & Ammo.

* Gene Wheaton wants to talk to PFIAB - has talked to Kerry

1305 - Mtg w/ [redacted] Gen. [redacted] Bill W., ARA/CEN
Nat Guy - Indians
Leader.
D.C. Rep.
- SSRC ~~[illegible]~~
① ~~[illegible]~~ Political Statements
② Coordination w/ UNO
③ Internal Coordination

NCLA ED

EXHIBIT OLN-98



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OLN-98

5 Aug '85

[redacted]

1000 - Call from [redacted]

- [redacted] [redacted] up
original buildings

[redacted] goes to [redacted]

- Breakfast w/ [redacted]

[redacted] to handle [illegible]

- North to go to [redacted]

Deploying new team to SW
new Base - [redacted] to Retire

[redacted]

Forward Ops Ctr
Secure comms / Ops Ctr [redacted]
Air Ops Sect

CAUT - SEND TO CIA
WRAP-UP EACH NIGHT

[redacted]

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EXHIBIT OLN–99

UNCLASSIFIED

N 46664

10/5/86

OFFICE OF THE VICE PRESIDENT.
WASHINGTON, D.C.

Felix Rodriguez → [redacted] → Friday if [illegible]

10/6 ⇒ Good poss. lost in [illegible]

1. Bad area [illegible]
2. [illegible]
3. [illegible]

- No radio =
- C-123 = [illegible]
  3 US
  1 Nic

- William Cooper - Captain
- Wallace [illegible] Co Pilot
- James Hardin - Kicker
- One national from Nic

EXHIBIT
OLN-99

UNCLASSIFIED

Partially Declassified/Released on 6 Jul 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

(K494)

EXHIBIT OLN-100

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[illegible] 1. THREAT OF AIR PIRACY
LAWSUIT HAS NOTHING TO DO WITH [redacted]
- IT WAS COMMENT MADE TO U.S. BY [illegible]
[illegible] MAY [illegible] [redacted] THIS ENTIRE
ISSUE NOW BORDERS ON RIDICULOUS. IF WE
SLINK OUT OF [redacted] THE WORD WILL RAPIDLY
CIRCULATE AMONG MY ENEMIES WHO VIEW ME
AS OBSTACLE TO MAKING MILLIONS FROM THE
CONTRAS. RON MARTIN. CARL JENKINS. MAX
SHEEHAN.AND HOST OF OTHERS WILL
IMMEDIATELY JUMP IN AND MORE BAD PRESS
RESULTS. UDALL AND THE OTHER COMPANIES
ARE PERFECTLY LEGAL IN THEIR ACTIVITIES
AND I WILL MAKE THIS A MAJOR ISSUE IF
AMBASSADOR AND STEELE DO NOT RECTIFY
MATTER WITH [redacted] I WILL NOT PREMIT
MAN TO TEAR US UP. 2. THIS IS NO SMALL
MATTER. WE MUST OPERATE AS THOUGH WE
HAVE SOME SENSE. DICK BT.

Partially Declassified/Released on 23 May '82
under provisions of E.O. 12356
by B. Reger, National Security Council

UNCLASSIFIED

EXHIBIT
OLN-100

961a

Exhibit OLN-101

UNCLASSIFIED

SECRET

221615ZAUG86 RECEIVED NEW GUIDANCE THROUGH GOODE FROM HIS BOSS. WE ARE TO STAY IN FULL OPERATION SUPPORTING THE DROPS UNTIL 1 OCT. AT THAT TIME NSC SAYS THAT CIA WILL HAVE BEEN IN OPERATION APPROX 1 MONTH. THE CIA WILL GO TO [redacted] AND EXPLAIN THAT THEY. THE CIA. ARE NOW IN CONTROL AND THEY DONT WANT OUR ASSETS TO REMAIN IN THE AREA AND CONFUSE THE ISSUE..AT WHICH TIME WE WILL TOTALLY WITHDRAW AND EITHER DISPOSE OF THE ASSETS OR SEND THEM ELSEWHERE. THIS IS CURRENT PLAN ONLY TO BE CHANGED BY THE NEXT PLAN. BOB

BT.

R D 000389

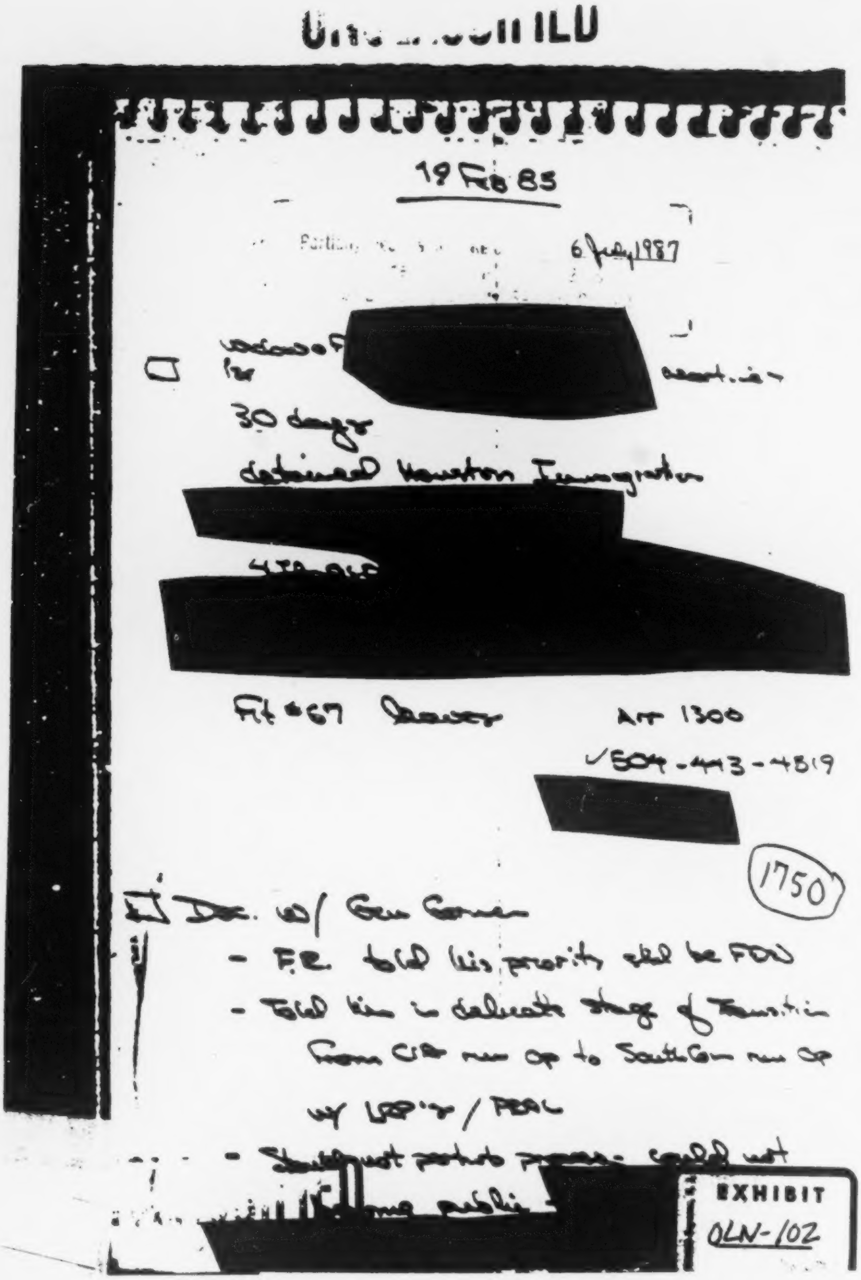
783

12 May 87

UNCLASSIFIED

EXHIBIT
OLN-101

EXHIBIT OLN-102



UNCLASSIFIED

19 Feb 85

Partially [illegible] 6 July 1987

☐ [illegible] [redacted]
for [illegible]

30 days

detained Houston Immigration

[redacted]

Flt #67 [illegible] Arr 1300

✓504-443-4819

[redacted]

(1750)

☒ Disc. w/ Gen Gorman
- F.R. told his priority shd be FDN
- Told him in delicate stage of transition from CIA run op to SouthCom run op w/ LPP's / PRAL
- Should not perturb process - could not become public [redacted]

EXHIBIT
OLN-102

EXHIBIT OLN-103

THE WHITE HOUSE
WASHINGTON

February 22, 1985

MEMORANDUM FOR ROBERT MCFARLANE

THRU: MAX FRIEDERSDORF
M.B. OGLESBY, JR.

FROM: W. DENNIS THOMAS

Republican Members of the House Permanent Select Committee on Intelligence, in anticipation of marking up the Intelligence Authorization bill (which includes restrictions on aid to Nicaraguan Contras) want to meet with an appropriate Administration policy official. They are seeking guidance on this issue and the best strategy to pursue. The legislative process is underway, with the schedule calling for mark-up by the 1st week in April.

Would you please advise who the appropriate Administration official should be? I recommend the meeting be arranged in the near future.

cc: Chris Lehman

EXHIBIT
OLN-103

EXHIBIT OLN-104

UNCLASSIFIED

THE WHITE HOUSE

WASHINGTON

1652

February 28, 1985

N 40601

TO: BUD MCFARLANE

FROM: MAX L. FRIEDERSDORF

SUBJECT: Meeting with Republican Members of House Select Committee on Intelligence

Bud, could you meet with this group?

UNCLASSIFIED

EXHIBIT
OLN-104

Exhibit OLN-105

1652

1414

N 40599

MEMORANDUM UNCLASSIFIED

NATIONAL SECURITY COUNCIL

EXHIBIT OLN-105

March 8, 1985

~~CONFIDENTIAL~~

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: Meeting with House Permanent Select Committee on Intelligence (HPSCI)

Attached at Tab I is a self-explanatory memo from you to Max Friedersdorf responding to his memo at Tab II.

RECOMMENDATION

That you initial and forward your memo to Max Friedersdorf.

Approve _____ Disapprove ______

Attachments
- Tab I - McFarlane Memo to Friedersdorf
- Tab II - Friedersdorf Memo to McFarlane of February 28, 1985

1199

Partially Declassified/Released on 22 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

Owff Box 21-29
3/31/87

~~CONFIDENTIAL~~
Declassify: OADR UNCLASSIFIED

MEMORANDUM

UNCLASSIFIED CONFIDENTIAL

THE WHITE HOUSE

WASHINGTON

1652

~~CONFIDENTIAL~~

N 40600

MEMORANDUM FOR MAX L. FRIEDERSDORF

FROM: BUD MCFARLANE

SUBJECT: Meeting with Members of the House Permanent Select Committee on Intelligence (HPSCI)

Per you memo of February 28, 1985, I met with the following members of the HPSCI on March 4, 1985:

Representative Robert Stump (R-AZ)
Representative Robert Livingston (R-LA)
Representative Henry Hyde (R-IL)
Representative Robert McCollum (R-FL)

Bob McCollum expressed belief that [redacted] found U.S. aid essential to the success of the Nicaraguan resistance and need for increased lobbying on the Hill

Henry Hyde felt that we should expand private sector and third country assistance, such as [redacted] in the effort to support the resistance. I explained why these are just not tenable alternatives--for the freedom fighters or for us.

Bob Stump indicated that we needed to get on with some "hard bargaining" if we plan to win the vote.

Bob Livingston had obviously done the most thinking about the problem and made a strong case for a well orchestrated effort. He noted that we had great need of a vote count before we go too much further and start disipating our energies.

In short, it was a good session. They were all emphatic that it will take a well executed plan to get the votes that we need. We committed to help get as much as possible declassifed and to set up a series of briefings both here and on the Hill. I also stressed the need to get as many members as possible down to the region to meet with Duarte, Suazo, Monge and the resistance.

If you feel that this kind of session helps, keep 'em coming!.

~~CONFIDENTIAL~~
Declassify: OADR

UNCLASSIFIED CONFIDENTIAL

Exhibit OLN-106

UNCLASSIFIED

NATIONAL SECURITY COUNCIL

Ollie:

On the chance Steve didn't give you a copy, attached is for your use.

Vince

Declassified/Released on 4 July 1987
under provisions of E.O. 12356
By B. Reger, National Security Council

1420

N 13:45
12/2/86

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EXHIBIT
OLN-106

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LEE H. HAMILTON, INDIANA, CHAIRMAN
LOUIS STOKES, OHIO
DAVE McCURDY, OKLA.
ANTHONY C. BEILENSON, CALIFORNIA
ROBERT W. KASTENMEIER, WISCONSIN
DAN DANIEL, VIRGINIA
ROBERT A. ROE, NEW JERSEY
GEORGE E. BROWN, JR., CALIFORNIA
MATTHEW F. McHUGH, NEW YORK
BERNARD J. DWYER, NEW JERSEY

BOB STUMP, ARIZONA
ANDY IRELAND, FLORIDA
HENRY J. HYDE, ILLINOIS
DICK CHENEY, WYOMING
BOB LIVINGSTON, LOUISIANA
BOB McEWEN, OHIO

THOMAS K. LATIMER, STAFF DIRECTOR
MICHAEL J. O'NEIL, CHIEF COUNSEL
STEVEN K. BERRY, ASSOCIATE COUNSEL

U.S. HOUSE OF REPRESENTATIVES
PERMANENT SELECT COMMITTEE
ON INTELLIGENCE
WASHINGTON, DC 20515

ROOM H-405, U.S. CAPITOL
(202) 225-4121

August 8, 1985

MEMORANDUM FOR MR. HYDE

FROM: Steven K. Berry, Associate Counsel

SUBJECT: New York Times Article, August 8, 1985, Alleging Contras Receive Advice from the White House

-- The current Boland Prohibition in Sec. 801 of the Intelligence Authorization Act for FY 1985 (P.L. 98-618) prohibits U.S. intelligence entities from obligating or expending, to support the Resistance, funds authorized to be appropriated by the FY 1984 and FY 1985 intelligence authorizations acts. Since no money was authorized for NSC by either of those acts, Sec. 801 is not relevant to the issue.

-- The only statute arguably relevant to the subject of the Times article is Sec. 8066(a) of the 1985 DOD Appropriations Act (P.L. 98-473), which provides that "During fiscal year 1985, no funds available to the Central Intelligence Agency, the Department of Defense, or any other agency or entity of the United States involved in intelligence activities may be obligated or expended for the purpose or which would have the effect of supporting, directly or indirectly, military or paramilitary operations in Nicaragua by any nation, group, organization, movement, or individual." (Emphasis added)

-- The Section 8066(a) prohibition remains in effect throughout FY 1985, which ends 9/30/85.

-- NSC is clearly a U.S. entity involved in intelligence activities subject to the Section 8066(a) prohibition.

  -- The National Security Act of 1947 specifically establishes the CIA "under the National Security Council" and provides that CIA duties shall be carried out "under the direction of the National Security Council." (Sec. 102(a) and (d))

  -- Executive Order 12333 provides that the "NSC shall act as the highest Executive Branch entity that provides review of, guidance for and direction to the conduct of all national foreign intelligence, counterintelligence, and special activities, and attendant policies and programs." (Sec. 1.2(a))

-- Although the Section 8066(a) prohibition clearly applies to NSC as an entity of the U.S. Government involved in intelligence activities, that prohibition has not been violated.

UNCLASSIFIED

UNCLASSIFIED

-- The prohibition forbids obligation or expenditure of funds available to an intelligence entity to support paramilitary operations in Nicaragua, but nothing in the Times article indicates that the NSC staff officer involved obligated or expended any NSC funds.

-- The Times article only states that the NSC staff officer talked with members of the Resistance or with individuals in the U.S. interested in helping out the Resistance, which does not violate the prohibition.

-- No matter how you stretch it, talking to the Resistance or anyone else is not obligation or expenditure of funds.

-- And, if I may raise a final point, doesn't a member of the NSC staff have the same constitutional right of free speech under the First Amendment that every other American has?

-- As long as it is talking to the Resistance--not obligation or expenditure of funds for weapons or anything else--it doesn't violate the law. I note also that the Times article cites (unnamed) Members of Congress of do not believe it violates U.S. laws.

****

-- The President has supported the Nicaraguan Democratic Resistance fighters and has stated so publicly. He has met with Adolfo Colaro, Arturo Cruz and other members of the Unified Nicaraguan Opposition (UNO) leaders in demonstration of his support for their efforts.

-- The President has attended fundraising dinners for the Resistance movement and has received their leaders at the White House. I suppose you could say that is direct assistance to the Resistance.

-- It is not unusual to expect that the White House staff or NSC staff, who are directly responsible to the President, would encourage the Nicaraguan Democratic Resistance in the same manner and in the same ways that the President has encouraged the Resistance.

-- Before Congress's recent reversal on the Boland Amendment, intelligence agencies were forbidden to assist the Resistance forces in any manner. This abrupt termination of the relationship between the Resistance forces and any United States entity forced the Nicaraguan Resistance groups to establish other lines of communication and contact. The NSC or the White House would be a logical point of contact for any group seeking to establish a relationship with the U.S. Government.

-- Did the Boland Amendment prohibit third parties, other countries or groups and organizations throughout the world from requesting the official United States policy regarding Nicaragua? The President's position on assistance to the Nicaraguan Democratic Resistance is clear

UNCLASSIFIED

-- It is one thing to state that the law forbids any assistance to the Nicaraguan Democratic Resistance.

-- It is another thing to state that the President's position is clear and that he intends to pursue initiatives to renew assistance to the Democratic Resistance.

-- The Boland Amendment does not prohibit or the U.S. Government from receiving the views of its friends and allies throughout the world on the significance of the military buildup of the Marxist Sandinista regime in Nicaragua. On the contrary, I would say we have a obligation to inform our allies and friends of the U.S. position on Nicaragua.

UNCLASSIFIED

HOUSED-PASSED PROVISION ON NICARAGUA IN H.R. 2419, INTELLIGENCE AUTHORIZATION ACT FOR FY 1985

TEXT OF PROVISION

SEC. 105. During fiscal year 1986, no funds available to the Central Intelligence Agency, Department of Defense, or any other agency or entity of the United States involved in intelligence activities may be obligated or expended, directly or indirectly, for material assistance to the Nicaraguan democratic resistance including arms, ammunition, or other equipment or material which could be used to inflict serious bodily harm or death, or which would have the effect of providing arms, ammunition or other weapons of war for military or paramilitary operations in Nicaragua by any group, organization, movement or individual.

HOUSE INTELLIGENCE COMMITTEE REPORT (H. Rept. 99-106, pt. 1)

As introduced, Section 105 would have prohibited any funds available to any agency involved in intelligence activities being used to support, directly or indirectly, military or paramilitary operations in Nicaragua. The section also had the effect of denying any funds requested for such a purpose in fiscal year 1986. It would extend the current statutory prohibition for support to the Nicaraguan "contras" through the end of FY 1986.

An amendment was adopted by the committee to strike the original language of Section 105 so as to make clear that the prohibition that applies to supporting Nicaraguan insurgents or "contras" applies only to the provision of funds, goods, equipment, civilian or military supplies, or any other materiel, but does not include the provision of intelligence information or advice to the contras.

UNCLASSIFIED

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Section 8066(a), Department of Defense Appropriations Act, 1985 (P.L. 98-473)

SEC. 8066. (a) During fiscal year 1985, no funds available to the Central Intelligence Agency, the Department of Defense, or any other agency or entity of the United States involved in intelligence activities may be obligated or expended for the purpose or which would have the effect of supporting, directly or indirectly, military or paramilitary operations in Nicaragua by any nation, group, organization, movement, or individual.

Section 801, Intelligence Authorization Act for FY 1985 (P.L. 98-618)

SEC. 801. No funds authorized to be appropriated by this Act or by the Intelligence Authorization Act for fiscal year 1984 (Public Law 98-215) may be obligated or expended for the purpose or which would have the effect of supporting, directly or indirectly, military or paramilitary operations in Nicaragua by any nation, group, organization, movement, or individual, except to the extent provided and under the terms and conditions specified by House Joint Resolution 648, making continuing appropriations for the fiscal year 1985, and for other purposes, as enacted.

UNCLASSIFIED

EXHIBIT OLN-107

#565

[illegible]

Congress of the United States 9646
Committee on Foreign Affairs
House of Representatives
Washington, DC 20515

August 16, 1985

EXHIBIT
OLN-107

The Honorable Robert C. McFarlane
Assistant to the President
for National Security Affairs
Executive Office of the President
The White House
Washington, D.C. 20500

Dear Mr. McFarlane:

I am writing in response to recent press reports detailing the activities of certain National Security Council staff members in providing advice and fundraising support to Nicaraguan rebel leaders.

These reports raise serious questions regarding the violation of the letter and the spirit of U.S. law prohibiting support for the Nicaraguan rebels. The Congress, in passing the Boland Amendment (Section 8066 of P.L. 98-473), prohibited "the Central Intelligence Agency, the Department of Defense, or any other agency or entity of the U.S. involved in intelligence activities" from supporting the rebels. It would be stretching the integrity of the law to suggest that this prohibition was not intended to cover the NSC. President Reagan, himself, in his executive order on the nation's intelligence agencies, describes the National Security Council as the highest government entity with responsibility for intelligence activities.

In addition, the Boland Amendment strictly prohibits assistance "for the purpose or which would have the effect of supporting, directly or indirectly, military or paramilitary operations" of the Nicaraguan insurgents. Reports quote Administration officials describing Marine Lt. Col. Oliver North as providing "tactical influence" on rebel military operations, facilitating contacts for prospective financial donors, and otherwise organizing and coordinating rebel efforts. These activities clearly have "the effect of supporting" the Nicaraguan rebels.

Congressional intent in passing the Boland Amendment was to distance the United States from the Nicaraguan rebel movement, while the Congress and the nation debated the appropriateness of our involvement in Nicaragua. The press reports suggest that, despite congressional intent, during this period the U.S. provided direct support to the Nicaraguan rebels.

[redacted]

N 9647

The Honorable Robert C. McFarlane
Page Two
August 16, 1985

In order to clarify the circumstances surrounding Lt. Col. North's activities, as chairman of the subcommittee with jurisdiction over United States policy toward Nicaragua, I request that you provide Congress with all information, including memoranda and any other documents, pertaining to any contact between Lt. Col. North and Nicaraguan rebels leaders as of enactment of the Boland Amendment in October, 1984.

Thank you for your attention to this request.

Sincerely,

Mike Barnes

Michael D. Barnes
Chairman
Subcommittee on Western
Hemisphere Affairs

MDB:na

EXHIBIT OLN-108

```
From: NSWRP   --CPUA                          Date and time    08/20/85 14:41:04
To: NSJMP   --CPUA      JOHN M. POINDEXTER

NOTE FROM: BOB PEARSON
Subject: Barnes letter requesting material re North/Contra contacts
Note from Ollie. Brenda Reger is doing a memo to you on what sources of
information might be the object of the Barnes letter. I agree with Ollie that
we need to proceed carefully. Paul Thompson suggested that Jock Sharfin might
become familiar with the Boland amendment as part of his familiarization wit
NSC issues. He's reading up on the subject in the law library and will not be
contacting anyone at State or elsewhere. Reger's memo should be to you
thisafternoon. Thanks very much.
*** Forwarding note from NSOLN   --CPUA     08/20/85 12:45 ***
To: NSWRP   --CPUA

*** Reply to note of 08/19/85 13:37

                                 -- SECRET --
NOTE FROM: OLIVER NORTH
Subject: Barnes letter requesting material re North/Contra contacts
Prior to yr xfer of this action, I discussed the Barnes ltr w/ Jim Michel and
he urges that we not jump too fast on this issue. He shares my concern that
our legal fellow is going to create unhelpful speculation re our intentions on
this matter as he proceeds around town asking questions about the Boland
ammendment and its legal/legislative intent. Jim recommends, and I agree,
thatour response to the Barnes letter should be very quietly drafted by Jim,
Paul Thompson and a rep from Fielding's office. Regards, North

cc: NSBSR   --CPUA                            NSWRP   --CPUA
    NSWFM   --CPUA     JOHN M. POINDEXTER NSWRP   --CPUA     JOHN M. POINDEXTER

cc: NSOLN   --CPUA                            NSBSR   --CPUA
    NSPBT   --CPUA
```

[redacted]

N13.
12

Exhibit OLN-109

#566

ied/Released on [illegible]
under provisions of E.O. 12356
by B. Reger, National Security Council

~~UNCLASSIFIED~~ UNCLASSIFIED

THE WHITE HOUSE
WASHINGTON

N 9648

September 12, 1985

EXHIBIT
OLN-109

~~CONFIDENTIAL~~

Dear Congressman Barnes:

This is in reply to your letter of August 16, regarding the activities of members of the NSC staff in connection with the Nicaraguan democratic resistance. Like you, I take these charges very seriously and consequently have thoroughly examined the facts and circumstances which could bear upon these charges in any fashion.

Based on this review, I want to assure you that my actions, and those of my staff, have been in compliance with both the spirit and the letter of the law. In your letter, you referred specifically to the proscriptive language of Section 8066 of P.L. 98-473--the Boland Amendment. There have not been, nor will there be, any expenditures of NSC funds which would have the effect of supporting directly or indirectly military or para-military operations in Nicaragua by any nation, group, organization, movement, or individual. Indeed, our actions have been and must be in conformity, not only with this proscription, but with all laws.

Your letter affords a useful opportunity to comment upon allegations in the media regarding the activities of Lieutenant Colonel North and other members of my staff. Various NSC staff officers have been in contact with members of the Nicaraguan resistance since the opposition began to organize in 1982. These staff contacts, as well as my own, and those of the President, have been important in determining the course of our policy. Discussions with the resistance leaders have helped us to assess the integrity of their commitment to the cause of democracy and justice in Nicaragua. We have also discussed the evolving character of U.S. support as we moved from covert support for their cause in 1982-84 to the more restrictive, exclusively political support allowed since October of last year to the current situation in which we are able to provide only humanitarian assistance.

Contrary to reports that we used these contacts to provide "tactical influence" or to plan military operations, we urged the resistance leaders to forge a representative political front, involving credible non-military figures, aimed at achieving a democratic outcome in Nicaragua. We have also emphasized that

[illegible]

[redacted]

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~~CONFIDENTIAL~~

N 9649

the resistance must investigate charges of human rights violations, punish any guilty parties, and put in place measures to prevent such acts from taking place. Throughout, we have scrupulously abided by the spirit and the letter of the law. None of us has solicited funds, facilitated contacts for prospective potential donors, or otherwise organized or coordinated the military or paramilitary efforts of the resistance.

Since October 1984 when the Boland restrictions were enacted, Lieutenant Colonel North has travelled to Central America eight times for the purpose of meeting with foreign government officials regarding our Central America policy. During these trips, as well as in other meetings in the U.S., he has conferred with leaders of the Nicaraguan resistance. He acknowledged to both the foreign government officials and the opposition leaders that, while we could no longer contribute directly or indirectly to the military/paramilitary prosecution of their resistance, we would continue to seek Congressional support for their cause. He further urged, as I did during my January 1985 trip to the region, that every effort be made to broaden their political base and establish a political program providing for negotiations toward an internal reconciliation. We also urged that they make clear their commitment to a political, not a military solution, in their international contacts.

These efforts led to the March 1 San Jose Declaration in which the freedom fighters offered to lay down their arms and enter into a church-mediated dialogue with the Sandinistas. As this process matured this past Spring, the President met with the three principal resistance leaders and encouraged them to desist from military activites when it appeared that their proposal might be accepted by the Sandinistas. These actions resulted in the June 12 statement of democratic objectives announced by the Unified Nicaraguan Opposition (UNO) in San Salvador, El Salvador. Our emphasis throughout has been on a political rather than a military solution.

Recent contacts with the resistance have focused on ensuring that the $27 million in humanitarian assistance is properly administered and fully compliant with the legal requirements contained in the legislation. In short, we want to do it right. I well recognize that the Administration and the Congress may differ as to how we can best achieve our shared goal of a democratic outcome in the Central American region. Nonetheless, we agree on the desirability of this outcome and that it must be achieved within the limits of our law.

~~CONFIDENTIAL~~

Mr. Chairman, like you, I am most concerned that at a time when humanitarian assistance is being extended to the UNO there be no misgivings as to the existence of any parallel efforts to provide, directly or indirectly, support for military or paramilitary activities in Nicaragua. There has not been, nor will there be, any such activities by the NSC staff. In the interest of providing such assurances as may be helpful in forging mutual trust and confidence, I remain fully prepared to discuss these matters with you and other members of your committee.

Thank you again for this opportunity to clarify a most unfortunate misrepresentation of the facts.

Sincerely,

Robert McFarlane

The Honorable Michael D. Barnes
House of Representatives
Washington, D.C. 20515

EXHIBIT OLN-110

UNCLASSIFIED #572

7270

[illegible]

Congress of the United States
Committee on Foreign Affairs
House of Representatives
Washington, DC 20515

N 9651

September 30, 1983

EXHIBIT
OLN-110

The Honorable Robert C. McFarlane
Assistant to the President for
National Security Affairs
Executive Office of the President
The White House
Washington, D.C. 20500

Dear Mr. McFarlane:

Thank you for your letter of September 12 regarding the activities of members of the staff of the National Security Council in connection with the Nicaraguan rebels.

I appreciate having your explanation of these activities and your willingness to discuss these matters further. I suggest that you have your staff call my office to arrange a mutually convenient time for us to meet. Of course, this meeting is not a substitute for further action by the Committee on this matter, should the Committee consider such action to be appropriate.

However, I am sure you understand that the pertinent documents must be provided if the Committee is to be able to fulfill its obligation to adopt legislation governing the conduct of United States foreign policy and to oversee the implementation of that policy under the law. In your letter, you do not refer to my request for such documents. In order to enhance the usefulness of our meeting, I request that you provide the necessary documents to me in advance so that I may review them prior to the meeting.

It may be helpful if I spell out more clearly the interest of the Committee. The Committee retains its concern about possible violations of federal law by members of the NSC staff. However, that is not the Committee's only—or even primary—concern, given that the enforcement of the law is an Executive Branch function. It is the Committee's responsibility, however, to conduct oversight of laws that limit the activities of the Executive Branch under the Committee's jurisdiction, and to reach judgments as to whether changes in the law are indicated by these activities. Even if the Committee determined that the activities of the NSC staff on this matter were entirely legal, the Committee might still determine that changes in the law were necessary.

[redacted]

N 9652

I am sure it is obvious to you that the Committee cannot make these judgments unless it has in its possession all information, including memoranda and other documents, pertaining to any contact between the NSC staff and Nicaraguan rebel leaders. I would hereby renew my request for such information, both oral and documentary. In order that there will be no misunderstanding, I want to make it clear that the Committee's interest is in any information that pertains to NSC contacts with the rebels, regardless of whether these contacts took place prior to or after the effective date of the Boland amendment.

I appreciate your desire to be forthcoming on this matter and look forward to our meeting.

Sincerely,

Mike Barnes

Michael D. Barnes
Chairman
Subcommittee on Western
Hemisphere Affairs

cc: The Honorable Dante B. Fascell

MDB:vj

Exhibit OLN-111

Congress of the United States
Committee on Foreign Affairs
House of Representatives
Washington, DC 20515

October 29, 1985

N 337

The Honorable Robert C. McFarlane
Assistant to the President for
National Security Affairs
Executive Office of the President
The White House
Washington, D.C. 20500

Dear Mr. McFarlane:

I am writing with respect to my request for information and documentation on the activities of members of the staff of the National Security Council in connection with the Nicaraguan rebels.

I appreciate your willingness to share some such information and documentation with me. However, it is my belief that the procedures that you have suggested under which I would have access to this information would be inadequate to permit me to reach any confident conclusions regarding the relationship of the NSC staff with the rebels. Clearly, competent staff must have the opportunity to subject this information to serious analysis if any meaningful conclusions are to be drawn. I have consulted with the leadership of the House, which shares my belief on this matter.

Accordingly, and after consultation with the Chairman of the Permanent Select Committee on Intelligence, The Honorable Lee H. Hamilton, I hereby request that you provide this information and documentation to the Intelligence Committee under that Committee's normal procedures for Member and staff access to and review of highly classified materials.

I believe that this proposal would surely resolve any concerns that the Administration might have about the security of the information, while at the same time fulfilling the responsibilities of the House.

As you requested during our recent meeting, I am attaching an outline of the information that we are requesting.

EXHIBIT
OLN-111

Once again, I appreciate your willingness to be forthcoming on this matter and trust that this proposal will resolve the issue of congressional access to this information to everyone's satisfaction.

Sincerely,

Mike Barnes

Michael D. Barnes
Chairman
Subcommittee on Western
Hemisphere Affairs

cc: The Honorable Thomas P. O'Neill, Jr.
The Honorable Lee H. Hamilton
The Honorable Dante B. Fascell

MDB:vj

N 3377

ILLUSTRATIVE LIST OF INFORMATION REQUIRED OF THE NSC ON ITS RELATIONS WITH THE C

1. A complete list of all meetings or contacts between Lt. Col. North or any other member or official of the NSC staff and:

   (a) "members of the Nicaraguan resistance since the opposition began to organize in 1982" (September 12 McFarlane letter, p. 1. third para.).

   (b) "leaders of the Nicaraguan resistance" since October, 1984 (September 12 McFarlane letter, p. 2, first full para.).

   (c) the Nicaraguan resistance that "have focused on ensuring that the $27 million in humanitarian assistance is properly administered and fully compliant with the legal requirements contained in the legislation" (September 12 McFarlane letter, p. 2, last para.).

   (d)paramilitary groups such as CMA, Soldiers of Fortune, etc.

   (e) Friends of the Americas, a Louisiana group headed by Woody Jenkins.

   (f) representatives of South Korea, Taiwan, Israel, or any other country, in July, 1984, or at any other time, pertaining to assistance for the Nicaraguan resistance.

   (g) John Hull, an American rancher with land in northern Costa Rica.

   (h) General Singlaub,or any other person involved in fundraising for the resistance, regarding fundraising plans or activities, military needs of the resistance, or any other matter relating to the Nicaraguan resistance.

   (i) any person pertaining to the Nicaraguan refugee fundraising dinner that was held in April, 1985.

2. All information with respect to any meeting or other contact referred to above, including any membranda, reports, minutes, meeting schedules, appointment calendars, memoranda of calls, phone logs, and any other information.

3. Any memoranda or other documents prepared by Lt. Col. North or any other member or officer of the NSC staff containing or discussing plans or programs with respect to aid for the Nicaraguan resistance, any supporting documentation or other information related to such documents, any records of NSC consideration or review of any such plans or programs, and any documents pertaining to the adoption or implementation of any such plans or programs.

Exhibit OLN-112

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THE WHITE HOUSE
WASHINGTON

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Declassified/Released on 7 May1987
under provisions of E.O. 12356
by B. Reger, National Security Council

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EXHIBIT
OLN-112

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EXHIBIT OLN-113

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THE WHITE HOUSE
WASHINGTON

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402003 – 19 Jan 460107 [illegible] P7

Declassified/Released on 7 May 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

NOV 21 1986

All originals attached except 401214. According to computer, all cys of 401214 were destroyed. Please return these originals to me when you have finished.

Brian

[illegible] sent to Ollie North

B

NOV 25 1986

EXHIBIT
OLN-113

551

EXHIBIT OLN-114

#563 [redacted]

[illegible]

U.S. HOUSE OF REPRESENTATIVES
PERMANENT SELECT COMMITTEE
ON INTELLIGENCE
WASHINGTON, DC 20515

N 9663
AUG 21

August 20, 1985

Honorable Robert C. McFarlane
Assistant to the President
for National Security Affairs
The White House
Washington, D.C. 20500

Dear Mr. McFarlane:

Recent press accounts of the alleged activities by the National Security Council regarding the contras in Nicaragua raise some questions.

If the NSC did engage in actions that supported the military activity of the contras, I am curious about what actions were taken by the NSC to support the activities of the contras during the period after the enactment of the Boland amendment and before its recent modification.

I would like to receive a full report on the kinds of activities regarding the contras that the NSC carried out and what the legal justification is for such actions given the legislative prohibitions that existed last year and earlier this year.

With best wishes, I am

Sincerely yours,

Lee H. Hamilton
Chairman

EXHIBIT
OLN-114

EXHIBIT OLN-115

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[redacted]

N 29784

National Security Council
The White House

System # ______

Package # ______

EXHIBIT
OLN-115

	SEQUENCE TO	HAS SEEN	DISPOSITION
Bob Pearson	1	P	
William Martin			
John Poindexter			
Paul Thompson			
Wilma Hall			
Bud McFarlane			
William Martin			
NSC Secretariat	3		staff
Situation Room	2		docmnt to
			RCM

I = Information A = Action R = Retain D = Dispatch N = No further Action

cc: VP Regan Buchanan Other ______

COMMENTS

Should be seen by: ______
(Date/Time)

[redacted]

Action: North

Concur: Sable
Reger
Thompson
Burghardt

1419

UNCLASSIFIED

~~Declassified~~/Released on 4 July 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

From: NSRCM --CPUA
To: NSOLN --CPUA

Date and time [illegible]
NSJMP --CPUA JOHN M. POINDEXTER

UNCLASSIFIED

NOTE FROM: ROBERT McFARLANE
SUBJECT: Reply to Hamilton on Ollie's Activities

I have sent you both separately a draft letter I have composed to answer Lee Hamilton's letter on Ollie's activities. One or two annotations are appropriate. The reference to "insert #1" refers to paragraph one of page two of your draft Ollie. "Insert #2" refers to the second paragraph of page two. Please do not share either this note or the separate draft with anyone. Wil will prepare a smooth version of it for me Wednesday morning. Please bring me any edits you have. Ollie, don't send me any PROFS notes about it. Many thanks.

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Partially Declassified/Released on 4 July 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

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Exhibit OLN-116

From: NSRCM --CPUA
To: NSWGH --CPUA

Date and time 08/03/85 21:35:34

UNCLASSIFIED

NOTE FROM: [redacted]
SUBJECT: Letter to Congressman Lee Hamilton

Dear Mr. Chairman,

This is in reply to your letter of August [illegible], 1985 in which you called attention to press reports of "...alleged activities by the National Security Council (staff) regarding the contras in Nicaragua..." and asked for a full report and legal justification for any such activities. Like you, I take such charges very seriously and consequently have thoroughly examined the facts and all matters which in any remote fashion could bear upon these charges. From that review I can state with deep personal conviction that at no time did I or any member of the National Security Council staff violate the letter or spirit of the law. While your letter refers to the language of the Boland amendment which proscribes activities "...for the purpose or which would have the effect of supporting, directly or indirectly, military or paramilitary operations in Nicaragua by any nation, group, organization, movement, or individual," I would extend my assurance to the violation of any law.

Your letter does provide a timely opportunity to restate the policy of this Administration with regard to the Nicaraguan Freedom Fighters and just what activities have been undertaken in support of this policy. First it is I think clear that President Reagan believes in the purposes for which the Freedom Fighters were formed--to resist the repression of the Nicaraguan government and to work for the establishment of democracy in Nicaragua. But it is equally clear that the President has made it emphatically clear that all US support was to be in strict compliance with the law. What then was the nature of our activities in support of the Freedom Fighters?

In the fall of last year, with the enactment of the Boland Amendment, it was apparent that the resistance was demoralized at the prospect of an end to US support for their cause. While we acknowledged to them that we could no longer contribute directly or indirectly to the military paramilitary prosecution of their resistance we stated that we would continue to seek congressional support to do so and that meanwhile they could usefully devote their efforts in other directions. For example, it was clear that the Freedom Fighters were at a disadvantage to the extent that their goals, purposes and terms were poorly understood while those of the Sandinista government were promoted by the normal diplomatic and public affairs institutions of their government. In order to help balance this promotional effort we made recommendations to the Contra leaders as to how they could better explain their cause; how our Congress was organized; to whom they ought to make their case and why there was a natural sentiment of antagonism toward them by some of your colleagues. In this latter regard, we stressed reports of alleged atrocities committed by them and urged strongly that they investigate these charges and if true, punish those responsible. Separately, we stressed that their purposes would suffer a lack of credibility for as long as their activities remained military alone. We urged that they forge a representative political front involving credible non-military figures and that this front take responsibility for framing a politicalprogram centered upon peaceful evolution toward a pluralistic process. Over time these efforts led to the March 1 San Jose proposal in which the Freedom Fighters offered to lay down their arms and enter into negotiations with the Nicaraguan government brokered by the Church. As this process began to mature this past spring we even encouraged them to desist from military activities at a time when their proposal might have had

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some chance of adoption by the other side. At no time did we encourage military activities. This urging against continuing military activities was as close as we ever came to commenting upon or seeking to influence the military aspect of their struggle.

It is equally important to stress what we did not do. We did not solicit funds or other support for military or paramilitary activities either from Americans or third parties. We did not offer tactical advice for the conduct of their military activities or their organization. Nor did our liaison contacts seek to influence them toward other than a pluralistic outcome. (add insert #1).

With regard to the legal justification for the activities I have cited, I can only state the reasonable requirement that any Administration gain appropriate information on which to base coherent policy decisions. The Freedom Fighters comprised one significant element among many on whom it was and remains important for the Administration to be advised in a timely fashion. As a personal observation I would only add that had we failed to do so, the absence of influence, which in all likelihood would have ensued, could have led the Freedom Fighters to adopt a purely military effort--a course which neither of us would support. But I wish to stress once more that at no time did it seem to me that any of our activities was in contravention of law or the public trust.

Mr Chairman (add insert #2).

Sincerely

P.S Mr Chairman I would like to call to your attention a particularly unfortunate result of the recent public allegations. Following the appearance in a Sunday article of the charges, Lieutenant Colonel Oliver North, the officer who conducted many of the contacts with the Freedom Fighters, suffered a number of intrusions on his family life. Demonstrators at his home pushed down a fence; one of his pets was poisoned and his automobile was damaged. He and members of his family received numerous harassing telephone calls at various times of day and night. To

avoid this harassment he had to leave home with his family and take up temporary residence at a remote location until the demonstrations ceased. I would ask that you not share these events with anyone for neither he nor I wish to engender sympathy. I bring them to your attention in the interest in bringing this matter to a close. I am at your disposal to help in any way possible.

cc: NSOLN --CPUA

NSJMP --CPUA JOHN M. POINDEXTER

UNCLASSIFIED

N 1355
12/21

EXHIBIT OLN-117

EXHIBIT
OLN-117

Dear Mr. Chairman:

This is in reply to your letter of August 20, 1985 in which you called attention to press reports of "...alleged activities by the National Security Council (staff) regarding the contras in Nicaragua..." and asked for a full report and legal justification for any such activities. Like you, I take such charges very seriously and consequently have thoroughly examined the facts and all matters which in any remote fashion could bear upon these charges. From that review I can state with deep personal conviction that at no time did I or any member of the National Security Council staff violate the letter or spirit of the law. While your letter refers to the language of the Boland amendment which proscribes activities "...for the purpose or which would have the effect of supporting, directly or indirectly, military or paramilitary operations in Nicaragua by any nation, group, organization, movement, or individual," I would extend my assurance to the violation of any law.

Your letter does provide a timely opportunity to restate the policy of this Administration with regard to the Nicaraguan Freedom Fighters and just what activities have been undertaken in support of this policy. First, it is I think clear that President Reagan believes in the cause espoused by ~~purposes for which~~ the Freedom Fighters. -- ~~were formed~~ -- opposition to Sandinista ~~to resist the~~ repression ~~of the Nicaraguan government~~ and the [illegible] achievement of ~~to work for the establishment of~~

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democracy in Nicaragua. But it is ~~equally clear~~ also true that the President has made it emphatically clear that all US support was to be in strict compliance with the law. What then was the nature of our ~~activities in support of~~ contacts with the Freedom Fighters?

In the fall of last year, with the enactment of the Boland Amendment, it was apparent that the Freedom Fighters were demoralized at the prospect of an end to US support for their cause. While we acknowledged to them that we could no longer contribute directly or indirectly to the military/paramilitary prosecution of their resistance, we stated that we would continue to seek Congressional support to do so and that meanwhile they could usefully devote their efforts in other directions. For example, it was clear that the Freedom Fighters were at a disadvantage to the extent that their goals, purposes and terms were poorly understood while those of the Sandinista~~s government~~ were promoted by ~~the normal~~ their working diplomatic and public affairs institutions ~~of their government~~ and those of their [illegible]. In order to help balance this promotional effort, we discussed with the Contra leaders the importance of their explaining their cause to the public and their providing information to interested Members of the Congress. We pointed out why there was a natural sentiment of antagonism toward them by some ~~[illegible] colleagues~~ in the United States. In this latter regard, we stressed reports of alleged atrocities imputed to them and urged strongly that they investigate these charges and, if true, punish those responsible. Separately, we stressed that their purposes would suffer a lack of credibility for as long as their activities remained Solely military. [redacted]. We urged that they forge a representative political front involving credible non-military figures and that this front take responsibility for framing a political program centered ~~upon~~ ~~peaceful~~ achieving a democratic evolution [redacted] in Nicaragua. ~~toward a pluralistic process~~. Over time these efforts led to the March 1 San Jose ~~proposal~~ Declaration in which the Freedom Fighters offered to lay down their arms and enter into a Church-mediated dialogue with the Sand. ~~negotiations with the Nicaraguan government to be brokered by the Church~~. As this process began to mature this past spring we [redacted] encouraged them to desist from military activities at a time when their proposal might have had some chance of adoption by the other side. At no time did we encourage military activities. Our emphasis on a political rather than a military solution to the situation ~~This urging against encouraging military activities~~ was as close as we ever came to ~~commenting upon or seeking to~~ influencing the military aspect of their struggle.

It is equally important to stress what we did not do. We did not solicit funds or other support for military or paramilitary activities either from Americans or third parties. We did not offer tactical advice for the conduct of their military activities or their organization. Nor did our liaison contacts seek to influence them toward other than a ~~pluralistic~~ democratic outcome. Our most recent contacts with the Freedom Fighters have dealt with the administration of the $27 million in humanitarian assistance. Our effort has been to ensure that this program is properly administered and that it, too, is fully compliant with the legal requirements contained in the legislation. In short, we want to do it right.

With regard to the legal justification for the activities I have cited, I can only state the reasonable requirement that any Administration gain appropriate information on which to base coherent policy decisions. The Freedom Fighters comprised one significant element among many on whom it was and remains important for the Administration to be advised in a timely fashion. As a personal observation I would only add that had we failed to do so, the absence of influence, which in all likelihood would have ensued, could have led the Freedom Fighters to adopt a purely military effort -- a course which neither you nor I would support. But I wish to stress once more that at no time did it seem to me that any of our activities was in contravention of law or the public trust.

Mr Chairman, I believe that future events will confirm that ~~the~~ our contacts ~~[illegible] involvement~~ with the resistance has had a positive effect on achieving a democratic outcome in the region. I well recognize that the Administration and the Congress may differ as to how best to achieve this goal. Nonetheless, we are both in agreement that such an outcome is desirable and that it must be achieved within the limits of our law. Should you so desire, I would be most willing to discuss this matter further with you and other members of your committee. Thank you for this opportunity to clarify what has been a most unfortunate misrepresentation of the facts by the media.

Sincerely,

P.S. Mr Chairman, I would like to call to your attention a particularly unfortunate result of the recent public allegations. Following the appearance in a Sunday article of the charges, Lieutenant Colonel Oliver North, the officer who conducted many of the contacts with the Freedom Fighters, suffered a number of intrusions on his family life. Demonstrators at his home pushed down a fence; one of his pets was poisoned and his automobile was damaged. He and members of his family received numerous harassing telephone calls at various times of day and night. To avoid this harassment, he had to leave home with his family and take up temporary residence at a remote location until the demonstrations ceased. I would ask that you not share these events with anyone for neither he nor I wish to engender sympathy. I bring them to your attention in the interest of bringing this matter to a close. I am at your disposal to help in any way possible.

EXHIBIT OLN-118

/Released on MAY 7, 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

THE WHITE HOUSE
WASHINGTON

#[redacted]

N 9664

September 5, 1985

Dear Mr. Chairman:

This is in reply to your letter of August 20, 1985 in which you called attention to press reports of "...alleged activities by the National Security Council (staff) regarding the contras in Nicaragua..." and asked for a full report and legal justification for any such activities. Like you, I take such charges very seriously and consequently have thoroughly examined the facts and all matters which in any remote fashion could bear upon these charges. From that review I can state with deep personal conviction that at no time did I or any member of the National Security Council staff violate the letter or spirit of the law. While your letter refers to the language of the Boland amendment which proscribes activities "...for the purpose or which would have the effect of supporting, directly or indirectly, military or paramilitary operations in Nicaragua by any nation, group, organization, movement, or individual," I would extend my assurance to the violation of any law.

Your letter does provide a timely opportunity to restate the policy of this Administration with regard to the Nicaraguan Freedom Fighters and just what activities have been undertaken in support of this policy. First, it is I think clear that President Reagan believes in the cause espoused by the Freedom Fighters -- opposition to Sandinista repression and the achievement of democracy in Nicaragua. But it is also true that the President has made it emphatically clear that all US support was to be in strict compliance with the law. What then was the nature of our contacts with the Freedom Fighters?

In the fall of last year, with the enactment of the Boland Amendment, it was apparent that the Freedom Fighters were demoralized at the prospect of an end to US support for their cause. While we acknowledged to them that we could no longer contribute directly or indirectly to the military/paramilitary prosecution of their resistance, we stated that we would continue to seek Congressional support to do so and that meanwhile they could usefully devote their efforts in other directions. For example, it was clear that the Freedom Fighters were at a disadvantage to the extent that their goals, purposes and terms were poorly understood while those of the Sandinistas were promoted by their existing diplomatic and public affairs institutions and those of their bloc patrons. In order to help balance this promotional effort, we discussed with the Contra leaders the importance of their explaining their cause to the public and their providing information to interested Members of the Congress. We pointed out why there was a natural sentiment of antagonism toward them by some in the United States. In this

/Released on 8 May 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

N 9665

latter regard, we stressed reports of alleged atrocities imputed to them and urged strongly that they investigate these charges and, if true, punish those responsible. Separately, we stressed that their purposes would suffer a lack of credibility for as long as their activities remained only military. We urged that they forge a representative political front involving credible non-military figures and that this front take responsibility for framing a political program centered on achieving a peaceful, democratic evolution in Nicaragua. Over time, these efforts led to the March 1 San Jose declaration in which the Freedom Fighters offered to lay down their arms and enter into a church-mediated dialogue with the Sandinistas. As this process began to mature this past spring we encouraged them to desist from military activities at a time when their proposal might have had some chance of adoption by the other side. At no time did we encourage military activities. Our emphasis on a policial rather than a military solution to the situation was as close as we ever came to influencing the military aspect of their struggle.

It is equally important to stress what we did not do. We did not solicit funds or other support for military or paramilitary activities either from Americans or third parties. We did not offer tactical advice for the conduct of their military activities or their organization. Nor did our liaison contacts seek to influence them toward other than a democratic outcome. Our most recent contacts with the Freedom Fighters have dealt with the administration of the $27 million in humanitarian assistance. Our effort has been to ensure that this program is properly administered and that it, too, is fully compliant with the legal requirements contained in the legislation. In short, we want to do it right.

With regard to the legal justification for the activities I have cited, I can only state the reasonable requirement that any Administration gain appropriate information on which to base coherent policy decisions. The Freedom Fighters comprised one significant element among many on whom it was and remains important for the Administration to be advised in a timely fashion. As a personal observation I would only add that had we failed to do so, the absence of influence, which in all likelihood would have ensued, could have led the Freedom Fighters to adopt a purely military effort -- a course which neither you nor I would support. But I wish to stress once more that at no time did it seem to me that any of our activities was in contravention of law or the public trust.

Mr. Chairman, I believe that future events will confirm that our contact with the resistance has had a positive effect on achieving a democratic outcome in the region. I well recognize that the Administration and the Congress may differ as to how best to achieve this goal. Nonetheless, we are both in agreement that such an outcome is desirable and that it must be achieved within the limits of our law. Should you so desire, I would be

N 9666

most willing to discuss this matter further with you and other members of your committee. Thank you for this opportunity to clarify what has been a most unfortunate misrepresentation of the facts.

Sincerely,

Robert McFarlane

The Honorable Lee H. Hamilton
Chairman
Permanent Select Committee
on Intelligence
House of Representatives
Washington, D. C. 20515

P.S. Mr. Chairman, I would like to call to your attention a particularly unfortunate result of the recent public allegations. Following the appearance in a Sunday article of the charges, Lieutenant Colonel Oliver North, the officer who conducted many of the contacts with the Freedom Fighters, suffered a number of intrusions on his family life. Demonstrators at his home pushed down a fence; one of his pets was poisoned and his automobile was damaged. He and members of his family received numerous harassing telephone calls at various times of day and night. To avoid this harassment, he had to leave home with his family and take up temporary residence at a remote location until the demonstrations ceased. I would ask that you not share these events with anyone for neither he nor I wish to engender sympathy. I bring them to your attention in the interest of bringing this matter to a close. I am at your disposal to help in any way possible.

EXHIBIT OLN-119

UNCLASSIFIED

[illegible]

U.S. HOUSE OF REPRESENTATIVES
PERMANENT SELECT COMMITTEE
ON INTELLIGENCE
WASHINGTON, DC 20515

[illegible]

N 9668

EXHIBIT
OLN-119

September 12, 1985

Honorable Robert C. McFarlane
Assistant to the President for
National Security Affairs
The White House
Washington, D. C. 20500

Dear Mr. McFarlane:

At our meeting Tuesday, you agreed to answer written questions submitted by Members of the Committee concerning allegations about the activities of Lieutenant Colonel Oliver North of your staff. Enclosed are questions that have been submitted by Members of the Committee.

The Committee appreciates your willingness to discuss this matter and to respond to these questions.

With best wishes, I am

Sincerely yours,

Lee H. Hamilton
Chairman

Enclosure

QUESTIONS

Direction, Tactical Influence, and Advice to the Contras

1. Both Adolfo Calero and Edgar Chamorro (Washington Post, 14 August 1985 and Miami Herald, 24 June 1985) have publicly stated that Colonel North traveled to Honduras in the spring of 1984 to assure them that, despite Congressional opposition, the White House would "find a way to keep their movement alive." Also, they note that Colonel North met with them in June 1984. What was the purpose of Colonel North's visit to the FDN in April and June 1984?

2. It has been alleged in the New York Times (8 Aug 85) that Colonel North was advised in advance of proposed rebel attacks and had offered the rebels advice and direction. Do you have any knowledge of whether this is true? A specific example was cited: an attack in July on a ferry boat that travels between Rama and Bluefields in southeastern Nicaragua. Do you have any knowledge of whether the NSC had advance information that attack was to take place?

3. When the CIA had to withdraw from their day-to-day contact with the rebels, it has been alleged in the New York Times (8 Aug 85) that Colonel North tried to fill the void, partly through helping facilitate the supplying of logistics help. Did Colonel North, in his capacity as a staff member at the National Security Council, use his influence to facilitate the movement of supplies, either raised privately in this country or otherwise, to the contras?

N 9670

4. A Nicaraguan exile leader is quoted in the New York Times (8 Aug 85) as stating that Colonel North was very important in coordinating efforts to reorganize and better coordinate the operations of the two main rebel groups, the FDN and the Democratic Revolutionary Alliance or ARDE, and that he had met with rebel leaders in both countries. Is that an accurate statement?

5. There are allegations of some concern expressed by intelligence officials in the CIA that Colonel North may have been walking a dangerous line in his activities with the contras (New York Times, 10 Aug 85). Were such sentiments brought to your attention?

6. Adolfo Calero, President of the FDN and a leading figure in the new Unified Nicaraguan Opposition (UNO), the group which will receive the $27 million of humanitarian assistance, has stated publicly (Washington Post, 14 Aug 85) that he met a half a dozen times with Colonel North this spring. For what purpose did Colonel North meet so frequently with Mr. Calero?

7. It has also been alleged that Colonel North had to travel to Honduras and meet with Honduran military leaders because apparently they were siphoning off supplies which were intended for the contras. As a result, the supply effort was switched from the civilian airport at Tegucigalpa to the military airfield at Palmerola. Did Colonel North undertake such a mission?

QUESTIONS

N 9671

Facilitating the Raising of Funds from Private Sources

1. Has Colonel North been the focal point within the NSC staff for handling contacts with private fundraising groups, such as the World Anti-Communist League and the Council for World Freedom headed by retired Major General John K. Singlaub?

2. General Singlaub has stated (Washington Post, 9 Aug 85) that he would often talk to Colonel North and inform him what he was doing and then state that if it was a dumb idea, for North to send him a signal. Is that your impression of the relationship between General Singlaub and Colonel North?

3. It is alleged (Miami Herald, 24 Jun 85), after a visit by Colonel North and a CIA official to the FDN in June 1984, that the CIA provided funds to publish ads in American newspapers to solicit private aid. Is that, in fact, what occurred?

4. Did Colonel North at any time during the frequent speeches and lectures that he has given around the country on the subject of Nicaragua, advise individuals on how they might donate money to the rebels as was alleged in the New York Times (8 Aug 85)?

5. It has been alleged in the Washington Post (11 Aug 86) that Colonel North has been particularly close to the leadership of the Citizens for America, an organization headed by Lewis Lehrman, and that Colonel North was in almost daily contact with the former executive director of that group and helped select contras for speaking engagements and tours within the United States organized by the Citizens for America during the April Congressional debates. Is that true?

6. General Singlaub has indicated (New York Times, 10 Aug 86) that, at one time, he had fairly frequent contacts with individuals within the Department of Defense and other agencies concerning the Nicaraguan freedom fighters but, because of the Congressional restriction, he didn't go near the Pentagon anymore. Why did he continue to deal with Colonel North?

7. It has been alleged that Colonel North has been in close contact with Alvaro Rizzo, a former Somoza diplomat, who was a member of the Nicaraguan Development Council and also the Nicaraguan Refugee Fund and that both Colonel North and another member of the NSC staff, Mr. Walter Raymond, met with Rizzo earlier this year to help set up the Nicaraguan Refugee Dinner which was held in April at which the President spoke. Were Colonel North and Mr. Raymond involved in helping set up this dinner?

8. While Colonel North may not have had direct contact with paramilitary groups such as CMA, Soldier of Fortune and others, it is alleged that Colonel North used other members of the White House staff, to include his secretary, to communicate with these groups. Do you know anything about that?

9. Has Colonel North been active with a group headed by Mr. Woody Jenkins of Louisiana known as the Friends of the Americas and has he assisted this group in obtaining transport for goods which they have provided to Nicaraguan refugees?

RELATED QUESTIONS

N 9674

1. The Associated Press reported that three foreign countries came to the White House in July 1984 and offered to provide assistance to the contras but without any quid pro quo. Is that true?

2. The Nicaraguan freedom fighters, in the last two months, are reported by the U.S. Embassy, Tegucigalpa to have received a large influx of funds and equipment with some estimates of their value reaching as high as $10 million or more. Do you know where they have obtained this assistance?

3. Why was it necessary to have someone from the National Security Council staff in touch with the various contra groups? Couldn't this have been better handled in Central America by State Department representatives by CIA personnel who could have certainly maintained contact for the purposes of collecting information, which is what Deputy Press Secretary Speaks implied was the reason for Colonel North's contact?

4. The *Washington Post* reported (28 Aug 85) that according to leaders of Misura, the main coalition of the Indians fighting the Sandinista government, Central Intelligence agency personnel brokered two agreements this year on how the insurgent groups should divide supplies which had been privately raised. To your knowledge, was the CIA involved in brokering this agreement? Was any NSC official? Any other U.S. official?

5. You have been quoted as saying that the role of the NSC staff was to collect information and to offer encouragement to the contras. How do you distinguish between that and the provision of advice and assistance in raising funds?

6. Why didn't you come to the Congress when this relationship began and inform us that there would be high-level contacts but they were for the purpose of "collecting information and keeping the faith"?

EXHIBIT OLN-120

UNCLASSIFIED

NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

October 3, 1985

EXHIBIT
OLN-120

~~UNCLASSIFIED~~
~~CONFIDENTIAL w attachment~~

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: Letter from Congressman Hamilton re NSC Connection with Nicaraguan Resistance

Attached at Tab I is a letter from you to Congressman Hamilton responding to his questions forwarded in his letter at (Tab II).

Per our discussion, the responses are based on your earlier briefing before the committee on September 10, 1985.

This package should be reviewed in concert with SYSTEM I #[illegible] (Barnes) and #7913 (Durenberger and Leahy).

RECOMMENDATION

That you sign and forward your letter to Congressman Hamilton at Tab I.

Approve ___ Disapprove ___

Attachments
Tab I - McFarlane ltr to Hamilton
Tab II - Hamilton ltr to McFarlane of September 12, 1985 w/attachment

1415

Declassified/Released on 4 July 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

UNCLASSIFIED
CONFIDENTIAL w/attachment

UNCLASSIFIED

UNCLASSIFIED

U.S. HOUSE OF REPRESENTATIVES
PERMANENT SELECT COMMITTEE
ON INTELLIGENCE
WASHINGTON, DC 20515

[illegible]

September 12, 1985

Honorable Robert C. McFarlane
Assistant to the President for
National Security Affairs
The White House
Washington, D. C. 20500

Dear Mr. McFarlane:

At our meeting Tuesday, you agreed to answer written questions submitted by Members of the Committee concerning allegations about the activities of Lieutenant Colonel Oliver North of your staff. Enclosed are questions that have been submitted by Members of the Committee.

The Committee appreciates your willingness to discuss this matter and to respond to these questions.

With best wishes, I am

Sincerely yours,

Lee H. Hamilton
Chairman

Enclosure

UNCLASSIFIED

UNCLASSIFIED

QUESTIONS

Direction, Tactical Influence, and Advice to the Contras

1. Both Adolfo Calero and Edgar Chamorro (Washington Post, 14 August 1985 and Miami Herald, 24 June 1985) have publicly stated that Colonel North traveled to Honduras in the spring of 1984 to assure them that, despite Congressional opposition, the White House would "find a way to keep their movement alive." Also, they note that Colonel North met with them in June 1984. What was the purpose of Colonel North's visit to the FDN in April and June 1984?

2. It has been alleged in the New York Times (8 Aug 85) that Colonel North was advised in advance of proposed rebel attacks and had offered the rebels advice and direction. Do you have any knowledge of whether this is true? A specific example was cited: an attack in July on a ferry boat that travels between Rama and Bluefields in southeastern Nicaragua. Do you have any knowledge of whether the NSC had advance information that attack was to take place?

3. When the CIA had to withdraw from their day-to-day contact with the rebels, it has been alleged in the New York Times (8 Aug 85) that Colonel North tried to fill the void, partly through helping facilitate the supplying of logistics help. Did Colonel North, in his capacity as a staff member at the National Security Council, use his influence to facilitate the movement of supplies, either raised privately in this country or otherwise, to the contras?

UNCLASSIFIED

UNCLASSIFIED

4. A Nicaraguan exile leader is quoted in the New York Times (8 Aug 85) as stating that Colonel North was very important in coordinating efforts to reorganize and better coordinate the operations of the two main rebel groups, the FDN and the Democratic Revolutionary Alliance or ARDE, and that he had met with rebel leaders in both countries. Is that an accurate statement?

5. There are allegations of some concern expressed by intelligence officials in the CIA that Colonel North may have been walking a dangerous line in his activities with the contras (New York Times, 10 Aug 85). Were such sentiments brought to your attention?

6. Adolfo Calero, President of the FDN and a leading figure in the new Unified Nicaraguan Opposition (UNO), the group which will receive the $27 million of humanitarian assistance, has stated publicly (Washington Post, 14 Aug 85) that he met a half a dozen times with Colonel North this spring. For what purpose did Colonel North meet so frequently with Mr. Calero?

7. It has also been alleged that Colonel North had to travel to Honduras and meet with Honduran military leaders because apparently they were siphoning off supplies which were intended for the contras. As a result, the supply effort was switched from the civilian airport at Tegucigalpa to the military airfield at Palmerola. Did Colonel North undertake such a mission?

UNCLASSIFIED

UNCLASSIFIED

QUESTIONS

Facilitating the Raising of Funds from Private Sources

1. Has Colonel North been the focal point within the NSC staff for handling contacts with private fundraising groups, such as the World Anti-Communist League and the Council for World Freedom headed by retired Major General John K. Singlaub?

2. General Singlaub has stated (Washington Post, 9 Aug 85) that he would often talk to Colonel North and inform him what he was doing and then state that if it was a dumb idea, for North to send him a signal. Is that your impression of the relationship between General Singlaub and Colonel North?

3. It is alleged (Miami Herald, 24 Jun 85), after a visit by Colonel North and a CIA official to the FDN in June 1984, that the CIA provided funds to publish ads in American newspapers to solicit private aid. Is that, in fact, what occurred?

4. Did Colonel North at any time during the frequent speeches and lectures that he has given around the country on the subject of Nicaragua, advise individuals on how they might donate money to the rebels as was alleged in the New York Times (8 Aug 85)?

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5. It has been alleged in the Washington Post (11 Aug 85) that Colonel North has been particularly close to the leadership of the Citizens for America, an organization headed by Lewis Lehrman, and that Colonel North was in almost daily contact with the former executive director of that group and helped select contras for speaking engagements and tours within the United States organized by the Citizens for America during the April Congressional debates. Is that true?

6. General Singlaub has indicated (New York Times, 10 Aug 85) that, at one time, he had fairly frequent contacts with individuals within the Department of Defense and other agencies concerning the Nicaraguan freedom fighters but, because of the Congressional restriction, he didn't go near the Pentagon anymore. Why did he continue to deal with Colonel North?

7. It has been alleged that Colonel North has been in close contact with Alvaro Rizzo, a former Somoza diplomat, who was a member of the Nicaraguan Development Council and also the Nicaraguan Refugee Fund and that both Colonel North and another member of the NSC staff, Mr. Walter Raymond, met with Rizzo earlier this year to help set up the Nicaraguan Refugee Dinner which was held in April at which the President spoke. Were Colonel North and Mr. Raymond involved in helping set up this dinner?

8. While Colonel North may not have had direct contact with paramilitary groups such as CMA, Soldier of Fortune and others, it is alleged that Colonel North used other members of the White House staff, to include his secretary, to communicate with these groups. Do you know anything about that?

UNCLASSIFIED

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9. Has Colonel North been active with a group headed by Mr. Woody Jenkins of Louisiana known as the Friends of the Americas and has he assisted this group in obtaining transport for goods which they have provided to Nicaraguan refugees?

UNCLASSIFIED

UNCLASSIFIED

RELATED QUESTIONS

1. The Associated Press reported that three foreign countries came to the White House in July 1984 and offered to provide assistance to the contras but without any quid pro quo. Is that true?

2. The Nicaraguan freedom fighters, in the last two months, are reported by the U.S. Embassy, Tegucigalpa to have received a large influx of funds and equipment with some estimates of their value reaching as high as $10 million or more. Do you know where they have obtained this assistance?

3. Why was it necessary to have someone from the National Security Council staff in touch with the various contra groups? Couldn't this have been better handled in Central America by State Department representatives or CIA personnel who could have certainly maintained contact for the purposes of collecting information, which is what Deputy Press Secretary Speaks implied was the reason for Colonel North's contact?

4. The Washington Post reported (28 Aug 85) that according to leaders of Misura, the main coalition of the Indians fighting the Sandinsta government, Central Intelligence agency personnel brokered two agreements this year on how the insurgent groups should divide supplies which had been privately raised. To your knowledge, was the CIA involved in brokering this agreement? Was any NSC official? Any other U.S. official?

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5. You have been quoted as saying that the role of the NSC staff was to collect information and to offer encouragement to the contras. How do you distinguish between that and the provision of advice and assistance in raising funds?

6. Why didn't you come to the Congress when this relationship began and inform us that there would be high-level contacts but they were for the purpose of "collecting information and keeping the faith"?

UNCLASSIFIED

EXHIBIT OLN-121

Declassified/Released on MAY 7, 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

~~CONFIDENTIAL~~

#568

THE WHITE HOUSE
WASHINGTON

N 9676

October 7, 1985

EXHIBIT
OLN-121

UNCLASSIFIED
~~CONFIDENTIAL~~ w/attachment

Dear Mr. Chairman:

Please find attached responses to the questions posed by members of your committee and forwarded under your letter of September 12, 1985. Where requisite information was provided in my briefing of September 10, the response so indicates. I have classified the responses to preclude the unintentional disclosure of classified information or potential embarrassment to friendly governments in the region.

I remain committed to cooperate fully with you and your committee on this matter. I am, however, increasingly concerned that continuing this process of constantly responding to unsubstantiated allegations by unnamed individuals is debilitating to our overall effort to achieve a democratic outcome in Nicaragua. It is my sincere hope that this communication will suffice to put this matter to rest so that we can get on with the more important task of ensuring that the recently implemented humanitarian assistance program is properly administered.

Sincerely,

Robert McFarlane

Attachment

The Honorable Lee H. Hamilton
Chairman, Permanent Select Committee
on Intelligence
U.S. House of Representatives
Washington, D.C. 20515

UNCLASSIFIED
~~CONFIDENTIAL~~ w/attachment ~~CONFIDENTIAL~~

Declassified/Released on MAY 7, 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

~~CONFIDENTIAL~~

QUESTIONS AND ANSWERS

Direction, Tactical Influence, and Advice to the Contras

N 9677

Q-1 Both Adolfo Calero and Edgar Chamorro (Washington Post, 14 August 1985 and Miami Herald, 24 June 1985) have publicly state that Colonel North traveled to Honduras in the spring of 1984 to assure them that, despite Congressional opposition, the White House would "find a way to keep their movement alive." Also, they note that Colonel North met with them in June 1984. What was the purpose of Colonel North's visit to the FDN in April and June 1984?

A-1 As I noted in my briefing on September 10, Lieutenant Colonel North has traveled frequently to Central America to meet with those who our policy is designed to support, as well as those who are opposed to it. Lieutenant Colonel North did not travel to Honduras in April or June 1984. During a visit to Honduras in May 1984, Lieutenant Colonel North met with members of the Honduran Government and the Nicaraguan democratic resistance. He assured them that the Administration was committed to the cause of the democratic resistance and would, as the President had promised, go back to the Congress for resources to support a democratic outcome in Nicaragua.

Q-2 It has been alleged in the New York Times (8 Aug 85) that Colonel North was advised in advance of proposed rebel attacks and had offered the rebels advice and direction. Do you have any knowledge of whether this is true? A specific example was cited: an attack in July on a ferry boat that travels between Rama and Bluefields in southeastern Nicaragua. Do you have any knowledge of whether the NSC had advance information that attack was to take place?

A-2 The allegation that Lieutenant Colonel North offered the resistance tactical advice and direction is, as I indicated in my briefing, patently untrue.

Q-3 When the CIA had to withdraw from their day-to-day contact with the rebels, it has been alleged in the New York Times (8 Aug 85) that Colonel North tried to fill the void, partly through helping facilitate the supplying of logistics help. Did Colonel North, in his capacity as a staff member of the National Security Council, use his influence to facilitate the movement of supplies, either raised privately in this country or otherwise, to the contras?

A-3 Lieutenant Colonel North did not use his influence to facilitate the movement of supplies to the resistance.

~~CONFIDENTIAL~~

QUESTIONS AND ANSWERS (Cont'd...)
Direction, Tactical Influence, and Advice to the Contras

Q-4 A Nicaraguan exile leader is quoted in the New York Times (8 Aug 85) as stating that Colonel North was very important in coordinating efforts to reorganize and better coordinate the operations of the two main rebel groups, the FDN and the Democratic Alliance or the ARDE, and that he had met with rebel leaders in both countries. Is that an accurate statement?

A-4 As I indicated in my briefing and my earlier letter, the NSC has been actively engaged in urging the resistance to forge a representative political front involving credible non-military figures and that this front assume responsibility for framing a political program aimed at a democratic outcome in Nicaragua.

Q-5 There are allegations of some concern expressed by intelligence officials in the CIA that Colonel North may have been walking a dangerous line in his activities with the contras (New York Times, 10 Aug 85). Were such sentiments brought to your attention?

A-5 I am aware that unnamed intelligence officials have been quoted in the New York Times as being "concerned" about Lieutenant Colonel North's activities. No official of our intelligence community in any of our frequent meetings has ever taken the opportunity to address such a "concern."

Q-6 Adolfo Calero, President of the FDN and a leading figure in the new Unified Nicaraguan Opposition (UNO), the group which will receive the $27 million of humanitarian assistance, has stated publicly (Washington Post, 14 Aug 85) that he met a half a dozen times with Colonel North this spring. For what purpose did Colonel North meet so frequently with Mr. Calero?

A-6 As indicated above and in my briefing, Lieutenant Colonel North and others in the Administration, including the President and I, have met with Messrs. Calero, Cruz, and Robelo; leaders of the Indian opposition; and opposition figures from the Nicaraguan southern resistance front in order to better determine the course of our policy and to convey our concerns regarding human rights.

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N 9679

QUESTIONS AND ANSWERS (Cont'd...)
Direction, Tactical Influence, and Advice to the Contras

Q-7 It has also been alleged that Colonel North had to travel to Honduras and meet with Honduran military leaders because apparently they were siphoning off supplies which were intended for the contras. As a result, the supply effort was switched from the civilian airport at Tegucigalpa to the military airfield at Palmerola. Did Colonel North undertake such a mission?

A-7 No.

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QUESTIONS AND ANSWERS

N 9680

Facilitating the Raising of Funds from Private Sources

Q-1 Has Colonel North been the focal point within the NSC staff for handling contacts with private fund raising groups, such as the World Anti-Communist League and the Council for World Freedom headed by retired Major General John K. Singlaub?

A-1 No.

Q-2 General Singlaub has stated (Washington Post, 9 Aug 85) that he would often talk to Colonel North and inform him what he was doing and then state that if it was a dumb idea, for North to send him a signal. Is that your impression of the relationship between General Singlaub and Colonel North?

A-2 There is no official or unofficial relationship with any member of the NSC staff regarding fund raising for the Nicaraguan democratic opposition. This includes the alleged relationship with General Singlaub.

Q-3 It is alleged (Miami Herald, 24 Jun 85), after a visit by Colonel North and a CIA official to the FDN in June 1984, that the CIA provided funds to publish ads in American newspapers to solicit private aid. Is that, in fact, what occurred?

A-3 To my knowledge, the CIA has never provided any funds for publishing any material in U.S. newspapers.

Q-4 Did Colonel North at any time during the frequent speeches and lectures that he has given around the country on the subject of Nicaragua, advise individuals on how they might donate money to the rebels as was alleged in the New York Times (8 Aug 85)?

A-4 No.

Q-5 It has been alleged in the Washington Post (11 Aug 85) that Colonel North has been particularly close to the leadership of the Citizens for America, an organization headed by Lewis Lehrman, and that Colonel North was in almost daily contact with the former executive director of that group and helped select contras for speaking engagements and tours within the United States organized by the Citizens for America during the April Congressional debates. Is that true?

A-5 No.

~~CONFIDENTIAL~~

UNCLASSIFIED

QUESTIONS AND ANSWERS (Cont'd...)
Facilitating the Raising of Funds from Private Sources N 9621

Q-6 General Singlaub has indicated (*New York Times*, 10 Aug 85) that, at one time, he had fairly frequent contact with individuals within the Department of Defense and other agencies concerning the Nicaraguan freedom fighters but, because of Congressional restriction, he didn't go near the Pentagon anymore. Why did he continue to deal with Colonel North?

A-6 You would have to inquire with General Singlaub as to why he chose not to be in contact with other departments or agencies. NSC contacts with General Singlaub were not unlike those with other concerned Americans who have an interest in our foreign policy. It should also be noted that Lieutenant Colonel North and other members of the NSC have also been in frequent contact with those who oppose our policy or who have differing views. Lieutenant Colonel North and others, in the course of their duties, have also met with the World Council of Churches, the National Council of Churches, the American Friends Service Committee, and other organizations which have expressed disfavor for our Central American policy.

Q-7 It has been alleged that Colonel North has been in close contact with Alvaro Rizzo, a former Somoza diplomat, who was a member of the Nicaraguan Development Council and also the Nicaraguan Refugee Fund, and that both Colonel North and another member of the NSC staff, Mr. Walter Raymond, met with Rizzo earlier this year to help set up the Nicaraguan Refugee Dinner which was held in April at which the President spoke. Were Colonel North and Mr. Raymond involved in helping set up this dinner?

A-7 Lieutenant Colonel North and Mr. Raymond coordinated the request for Presidential involvement in the Nicaraguan Refugee Fund dinner in the same manner that the NSC staff routinely coordinates other functions involving the President, such as the recent appearance before the INTERPOL conference.

Q-8 While Colonel North may not have had direct contact with paramilitary groups such as the CMA, Soldier of Fortune, and others, it is alleged that Colonel North used other members of the White House staff, to include his secretary, to communicate with these groups. Do you know anything about that?

A-8 This allegation is untrue.

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CONFIDENTIAL

~~CONFIDENTIAL~~

F

QUESTIONS AND ANSWERS (Cont'd...)
Facilitating the Raising of Funds from Private Sources

Q-9 Has Colonel North been active with a group headed by Mr. Woody Jenkins of Louisiana known as the Friends of the Americas and has he assisted this group in obtaining transport for goods which they have provided to Nicaraguan refugees?

A-9 Friends of the Americas is a reputable, private, voluntary organization providing humanitarian assistance to Nicaraguan refugees. Our contacts with Friends of the Americas have been the same as those maintained with Knights of Malta, the Knights of Columbus, Project Hope, and other humanitarian organizations committed to easing human suffering. No assistance has been provided to this or other groups in obtaining transportation.

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~~CONFIDENTIAL~~

ANSWERS TO RELATED QUESTIONS

N 9683

Q-1 The Associated Press reported that three foreign countries came to the White House in July 1984 and offered to provide assistance to the contras but without any quid pro quo. Is that true?

A-1 No.

Q-2 The Nicaraguan freedom fighters, in the last two months, are reported by the U.S. Embassy, Tegucigalpa, to have received a large influx of funds and equipment with some estimates of their value reaching as high as $10 million or more. Do you know where they have obtained this assistance?

A-2 No.

Q-3 Why was it necessary to have someone from the National Security Council staff in touch with the various contra groups? Couldn't this have been better handled in Central America by State Department representatives by CIA personnel who could have certainly maintained contact for the purposes of collecting information, which is what Deputy Press Secretary Speakes implied was the reason for Colonel North's contact?

A-3 The statutory function of the National Security Council is to advise the President with respect to the integration of domestic, foreign, and defense policies related to the national security of the United States. The Council has the responsibility to assess and appraise the objectives of the United States on matters of common interest to the departments and agencies of the government, and to make such recommendations and such reports to the President as it deems appropriate or as the President may require. It is the responsibility of the NSC staff to facilitate this process. Thus, it follows that NSC staff members must be in contact with a wide range of groups, movements, and individuals who are affected by our policies.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

N 9684

ANSWERS TO RELATED QUESTIONS (Cont'd...)

Q-4 The Washington Post reported (28 Aug 85) that according to leaders of Misura, the main coalition of the Indians fighting the Sandinista government, Central Intelligence Agency personnel brokered two agreements this year on how the insurgent groups should divide supplies which had been privately raised. To your knowledge, was the CIA involved in brokering this agreement? Was any NSC official? Any other U.S. official?

A-4 As indicated above, we have actively encouraged a broad based political unity movement within the Nicaraguan democratic opposition. The opposition includes the various Indian and Creole factions -- now unified as KISAN -- headed by their newly elected coordinator, Wycliffe Diego. However, the Washington Post (28 Aug 85) article to which you made reference is without basis in fact.

Q-5 You have been quoted as saying that the role of the NSC staff was to collect information and to offer encouragement to the contras. How do you distinguish between that and the provision of advice and assistance in raising funds?

A-5 I believe that my briefing to your committee on September 10, adequately explained how I distinguish between collecting information and offering encouragement and the issues of advice, assistance, and fund raising.

Q-6 Why didn't you come to the Congress when this relationship began and inform us that there would be high-level contacts but they were for the purpose of "collecting information and keeping the faith"?

A-6 My confidence of full compliance with the law and the absence of any other reporting requirement obviated need for such contact.

UNCLASSIFIED
~~CONFIDENTIAL~~

EXHIBIT OLN-122

IV

EXHIBIT
OLN-122

99TH CONGRESS
2D SESSION

H. RES. 485

Directing the President to provide to the House of Representatives certain information concerning activities of Lieutenant Colonel Oliver North or any other member of the staff of the National Security Council in support of the Nicaraguan resistance.

IN THE HOUSE OF REPRESENTATIVES

JUNE 24, 1986

Mr. COLEMAN of Texas submitted the following resolution; which was referred jointly to the Committees on Foreign Affaris, Armed Services, and Permanent Select Committee on Intelligence

---

RESOLUTION

Directing the President to provide to the House of Representatives certain information concerning activities of Lieutenant Colonel Oliver North or any other member of the staff of the National Security Council in support of the Nicaraguan resistance.

Resolved, That not later than 7 days after the adoption of this resolution, the President shall provide to the House of Representatives the following information, to the extent such information in the possession of the President:

(1) A complete list and description of any contact or other communication between Lieutenant Colonel Oliver L. North or any other member of the staff of

the National Security Council and any private individual or any representative of a foreign government concerning the provision to the Nicaraguan resistance of any funding or other assistance from any source other than the United States Government (including assistance by any private group or individual or by any foreign government); and any document prepared by or in the possession of any member of the staff of the National Security Council concerning the provision of any such assistance, specifically including any document concerning any discussion of or involvement in private fund-raising activities on behalf of the Nicaraguan resistance by any member of the staff of the National Security Council.

(2) A complete list and discription of and any document concerning any contact or other communication, directly or through intermediaries, since July 28, 1983, between Lieutenant Colonel Oliver L. North or any other member of the staff of the National Security Council and any member or representative of the Nicaraguan resistance, including any communications concerning the military strategy or tactics, coordination of the activities, or the military equipment or training needs of the Nicaraguan resistance.

(3) A complete list and discription of and any document concerning any contacts or other communication since July 28, 1983, between Lieutenant Colonel Oliver L. North or any other member of the staff of the National Security Council and Robert W. Owen (who has served as a consultant to the Nicaraguan Humanitarian Assistance Office), Major General John K. Singlaub (United States Army, retired), John Hull (a United States citizen operating a ranch in northern Costa Rica).

SEC. 2. As used in this resolution, the term "document" includes any report, memorandum, meeting schedule or minutes, log or other record of telephone calls or other communications, appointment calendar, or other record or document of any other kind.

○

EXHIBIT OLN-123

430091

DANTE B FASCELL, FLORIDA, CHAIRMAN

LEE H HAMILTON, INDIANA
GUS YATRON, PENNSYLVANIA
STEPHEN J SOLARZ, NEW YORK
DON BONKER, WASHINGTON
GERRY E STUDDS, MASSACHUSETTS
DAN MICA, FLORIDA
MICHAEL D BARNES, MARYLAND
HOWARD WOLPE, MICHIGAN
GEO W CROCKETT JR, MICHIGAN
SAM GEJDENSON, CONNECTICUT
MERVYN M DYMALLY, CALIFORNIA
TOM LANTOS, CALIFORNIA
PETER H KOSTMAYER, PENNSYLVANIA
ROBERT G TORRICELLI, NEW JERSEY
LAWRENCE J SMITH, FLORIDA
HOWARD L BERMAN, CALIFORNIA
HARRY REID, NEVADA
MEL LEVINE, CALIFORNIA
EDWARD F FEIGHAN, OHIO
TED WEISS, NEW YORK
GARY L ACKERMAN, NEW YORK
BUDDY MACKAY, FLORIDA
MORRIS K UDALL, ARIZONA
ROBERT GARCIA, NEW YORK

WILLIAM S BROOMFIELD, MICHIGAN
BENJAMIN A GILMAN, NEW YORK
ROBERT J LAGOMARSINO, CALIFORNIA
JIM LEACH, IOWA
TOBY ROTH, WISCONSIN
OLYMPIA J SNOWE, MAINE
HENRY J HYDE, ILLINOIS
GERALD B H SOLOMON, NEW YORK
DOUG BEREUTER, NEBRASKA
MARK D SILJANDER, MICHIGAN
ED ZSCHAU, CALIFORNIA
ROBERT K DORNAN, CALIFORNIA
CHRISTOPHER H SMITH, NEW JERSEY
CONNIE MACK, FLORIDA
MICHAEL DEWINE, OHIO
DAN BURTON, INDIANA
JOHN MCCAIN, ARIZONA

JOHN J BRADY JR
CHIEF OF STAFF

Congress of the United States
Committee on Foreign Affairs
House of Representatives
Washington, DC 20515

N 13361

June 25, 1986

The President
The White House
Washington, D. C. 20500

Dear Mr. President:

I am writing to request your comments on H.Res. 485, a resolution of inquiry directing the President to provide to the House of Representatives certain information concerning activities of Lt. Col. Oliver North or any other member of the staff of the National Security Council in support of the Nicaraguan resistance.

This resolution was introduced in the House on June 24, 1986 and referred jointly to the Committees on Foreign Affairs, Armed Services and the Permanent Select Committee on Intelligence. Under the rules of the House, the committees must act on this legislation within 14 legislative days, beginning June 25. Since the July 4th recess period will start shortly, this time period will not be up until the end of July. Therefore, I respectfully request your response to this resolution no later than July 22, in order to give the committee adequate time to consider the matter.

A copy of H.Res. 485 is enclosed for your reference.

With highest regards, I am

Sincerely yours,

Dante B. Fascell
Dante B. Fascell
Chairman

Kathy -
Copies went to
Alan, Lyn, Sable,
Sacist Will.
(in Fox!)
[illegible]

DBF:ji
Enclosure

EXHIBIT
OLN-123

Exhibit OLN-124

LEE H. HAMILTON, INDIANA, CHAIRMAN

LOUIS STOKES, OHIO
DAVE McCURDY, OKLAHOMA
ANTHONY C. BEILENSON, CALIFORNIA
ROBERT W. KASTENMEIER, WISCONSIN
DAN DANIEL, VIRGINIA
ROBERT A. ROE, NEW JERSEY
GEORGE E. BROWN, JR., CALIFORNIA
MATTHEW F. McHUGH, NEW YORK
BERNARD J. DWYER, NEW JERSEY

BOB STUMP, ARIZONA
ANDY IRELAND, FLORIDA
HENRY J. HYDE, ILLINOIS
DICK CHENEY, WYOMING
BOB LIVINGSTON, LOUISIANA
BOB McEWEN, OHIO

THOMAS K. LATIMER, STAFF DIRECTOR
MICHAEL J. O'NEIL, CHIEF COUNSEL
STEVEN K. BERRY, ASSOCIATE COUNSEL

U.S. HOUSE OF REPRESENTATIVES
PERMANENT SELECT COMMITTEE
ON INTELLIGENCE
WASHINGTON, DC 20515

ROOM H-405, U.S. CAPITOL
(202) 225-4121

N 3529

RLE
CPC
FILE
COMMENT

EXHIBIT
OLN-124

Ollie
North
fyi

July 1, 1986

The President
The White House
Washington, D. C. 20500

Dear Mr. President:

I am writing to request your comments on H. Res. 485, a resolution of inquiry directing the President to provide to the House of Representatives certain information concerning activities of Lieutenant Colonel Oliver North or any other member of the staff of the National Security Council in support of the Nicaraguan resistance.

This resolution was introduced in the House on June 24, 1986 and referred jointly to the Committees on Foreign Affairs, Armed Services and the Permanent Select Committee on Intelligence. Under the rules of the House, the committees must act on this legislation within 14 legislative days, beginning June 25. Since the July 4th recess period has intervened, this time period will not be up until the end of July. Therefore, I respectfully request your response to this resolution no later than July 22 in order to give the Committee adequate time to consider the matter.

A copy of H. Res. 485 is enclosed for your reference.

With best wishes, I am

Sincerely yours,

Lee H. Hamilton
Chairman

Enclosure

EXHIBIT OLN-125

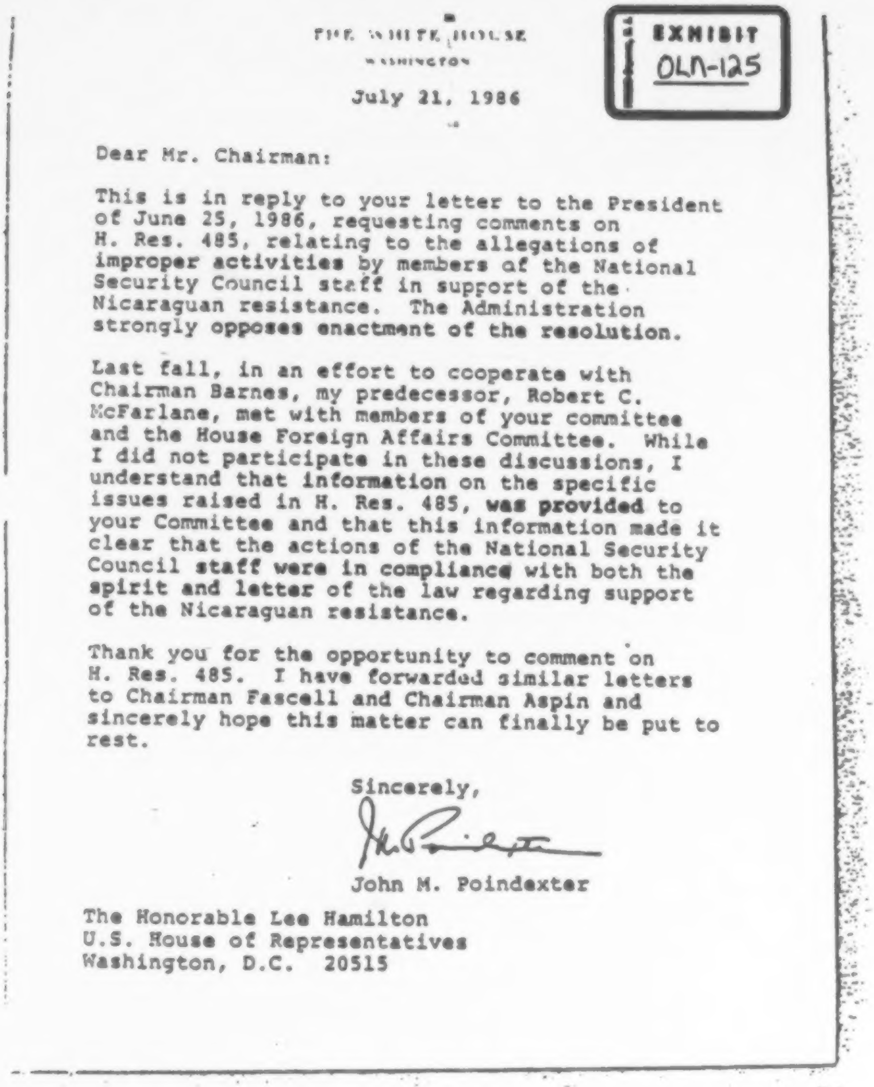

EXHIBIT
OLN-125

THE WHITE HOUSE
WASHINGTON

July 21, 1986

Dear Mr. Chairman:

This is in reply to your letter to the President of June 25, 1986, requesting comments on H. Res. 485, relating to the allegations of improper activities by members of the National Security Council staff in support of the Nicaraguan resistance. The Administration strongly opposes enactment of the resolution.

Last fall, in an effort to cooperate with Chairman Barnes, my predecessor, Robert C. McFarlane, met with members of your committee and the House Foreign Affairs Committee. While I did not participate in these discussions, I understand that information on the specific issues raised in H. Res. 485, was provided to your Committee and that this information made it clear that the actions of the National Security Council staff were in compliance with both the spirit and letter of the law regarding support of the Nicaraguan resistance.

Thank you for the opportunity to comment on H. Res. 485. I have forwarded similar letters to Chairman Fascell and Chairman Aspin and sincerely hope this matter can finally be put to rest.

Sincerely,

John M. Poindexter

The Honorable Lee Hamilton
U.S. House of Representatives
Washington, D.C. 20515

EXHIBIT OLN-126

LEE H. HAMILTON, INDIANA, CHAIRMAN
LOUIS STOKES, OHIO
DAVE McCURDY, OKLAHOMA
ANTHONY C. BEILENSON, CALIFORNIA
ROBERT W. KASTENMEIER, WISCONSIN
DAN DANIEL, VIRGINIA
ROBERT A. ROE, NEW JERSEY
GEORGE E. BROWN, JR., CALIFORNIA
MATTHEW F. McHUGH, NEW YORK
BERNARD J. DWYER, NEW JERSEY

BOB STUMP, ARIZONA
ANDY IRELAND, FLORIDA
HENRY J. HYDE, ILLINOIS
DICK CHENEY, WYOMING
BOB LIVINGSTON, LOUISIANA
BOB McEWEN, OHIO

THOMAS K. LATIMER, STAFF DIRECTOR
MICHAEL J. O'NEIL, CHIEF COUNSEL
STEVEN K. BERRY, ASSOCIATE COUNSEL

U.S. HOUSE OF REPRESENTATIVES
PERMANENT SELECT COMMITTEE
ON INTELLIGENCE
WASHINGTON, DC 20515

ROOM H-405, U.S. CAPITOL
(202) 225-4121

August 6, 1986

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting with Oliver North

NSC and Oliver North contact with contras began in 1982 — to assess capabilities of contras and to assure them Administration would seek aid from Congress.

From Boland amendment on — North explained strictures to contras.

— Never violated stricture
— Gave advice on human rights, civic action program

McHugh — what was done in anticipation of cutoff?

Oliver North — encouraged contras to contact other sources.

LHH — What about your contacts with Singlaub — Owen?

— Through 1983 talked frequently to Singlaub.
— North never gave Singlaub any advice on raising money — did not see him for two years, 1984-5.
— [redacted] was consultant to NHAO — North met him when he was on Hill staff — [redacted] took guidance from North but met with him often re Central American developments.
— Did you raise funds? (did not).
— Did you offer military advice? (did not).

McCurdy — would like Committee to report Resolution unfavorably.

8/6/86

EXHIBIT
OLN-126

EXHIBIT OLN-127

UNCLASSIFIED

September 3, 1986

MEMO TO THE FILES

FROM: Steven K. Berry, Associate Counsel

RE: August 6, 1986, 8:35 a.m., White House Situation Room. Discussion with Mr. Ollie North regarding House Resolution 485, directing the President to provide to the House of Representatives certain information concerning the activities of Lieutenant Colonel Oliver North or any other member of the staff of the National Security Council in support of the Nicaraguan Resistance, submitted by Congressman Tom Coleman.

In attendance: Bob Pearson, Counsel, NSC; Ollie North, Special Assistant, NSC; Ron Sable, Director of Legislative Affairs, NSC; Tom Latimer, HPSCI; Steve Berry, HPSCI.
Members present: Chairman Hamilton, Messrs. McCurdy, Kastenmeier, Daniel, Roe, Stump, Ireland, Hyde, Cheney, Livingston and McEwen.

Mr. Ollie North indicated that his principle mission was to coordinate contacts with the FDN (the Nicaraguan Resistance) and U.S. government officials. One of the main purposes of his job was to assess the long-term viability of the FDN as a democratic institution and to explain the U.S. government's relationship to that organization including the explanation of the Boland Amendment. North indicated he gave the FDN and their officials advice on human rights and political advice concerning the need for an improved civic image. North also explained the United States' legal position with regard to the guidelines and limitations of U.S. support as outlined under the Boland Amendment. Prior to the ban on assistance to the Nicaraguan Resistance of October 1, 1983, North indicated he had given books to the leadership of the FDN which focused on creating guerrilla movements and popular support for their goals, ideas and objectives. In support of that concept, North asked the FDN leaders to focus on the principles and the tactics espoused by such individuals as Maosetung and Sungsa and Cheginerria and also asked that they focus on the internal and external support necessary to continue the movement. North indicated that he stressed these points with Calero, Bermudez, Cruz, Robello, and Pastora when he was an active participant.

When queried regarding his relationship with General Singluab, Colonel North indicated that although he knew him he had no association as indicated in press reports and it was unfortunate that General Singlaub made those statements.

Mr. Roe asked Mr. North to comment on his relationship with Robert W. Owen, a former Hill staffer who was employed by the Nicaraguan Humanitarian Assistance Office ($50,000 contract), to facilitate delivery of supplies to the FDN and UNO. Colonel North indicated that he had talked to Robert Owen, had only a casual and formal contract with him; was familiar with Owen but that his contacts were greatly exaggerated and were not nearly as extensive as the press had reported.

EXHIBIT
OLN-127

UNCLASSIFIED

UNCLASSIFIED

Similarly, Mr. North indicted he did not know Mr. Terrill, an individual who had appeared on numerous news shows and who had been quoted in newspapers supporting allegations of improper activities of Colone North. Furthermore, it seemed as though Mr. Terrill was not who he said he was and had never been an Army officer.

Mr. North in a direct response to a question regarding the proprieties of his activities after October 1, 1984, responded that he did not in any way, nor at any time violate the spirit, principles or legal requirements of the Boland Amendment.

Congressman Ireland indicated that he had heard of several personal difficulties Colonel North and his family had experienced since the newpaper articles diclosed his job, duties and responsibilities in the NSC.

To summarize, Colonel North, his wife and children, have been targets of organized protests and pickets in front of his home, his personal property was damaged, fences torn down, his car damaged, his house had been broken into, his dog had been poisoned, his family received continuous threatening phone calls during all hours of the day and night and his children had been threatened. At the suggestion of the FBI and Secret Service his family was moved for several weeks to Camp Perry while improved security procedures were installed in his home at North's expense. [redacted]

Near the conclusion of the meeting. Congressman McCurdy supported by several other Members of the Committee indicated that although it was no longer necessary for the Intelligence Committee to meet to report on H. Res. 485 to stay its privileged status, he hoped the Intelligence Committee would meet to adversely report H. Res. 485 in the near future. The Chairman responded that action would be more appropriately done at a Full Committee Meeting after all Members had been notified of the Committee meeting.

The Chairman expressed his appreciation for the good faith — effort that Admiral Poindexter had shown in arranging a meeting and indicated his satisfaction in the responses received. Ron Sable from the NSC staff expressed the Administration's concern and his hope that this meeting had satisfied the Committee's concern with regard to the allegations of improper conduct by Lt Col North and further expressed his hope that this meeting would be the final chapter in the Committee's inquiries. The Chairman indicated that, barring any new or additional information, he too thought the Committee would be satisfied with the information that it had received.

UNCLASSIFIED

EXHIBIT OLN-128

(2)

EXHIBIT
OLN-128

N 12581

637

[redacted]

MSG FROM: NSJMP --CPUA TO: NSOLN --CPUA 08/11/86 10:44:09
To: NSOLN --CPUA OLLIE NORTH

-- SPCHB1 -- UNCLASSIFIED

NOTE FROM: JOHN POINDEXTER
Subject: HPSCI Interview of North
Well done.
*** Forwarding note from NSWRP --CPUA 08/06/86 09:29 ***
To: NSJMP --CPUA

NOTE FROM: RON PEARSON
SUBJECT: HPSCI interview of North

Session was success - Hamilton will entertain motion soonest to report unfavorably on Resolution of Inquiry and made clear believes HPSCI can turn aside future offers of similar resolutions. North's remarks were thorough and convincing. Hamilton underlined his appreciation to Admiral and to Bud for full cooperation offered by NSC. He restated there were no facts uncovered by or known to HPSCI to substantiate the allegations in the resolution of inquiry or media reports on North's activities.

In response to specific questions, Ollie covered following points:

o contact with FDN and UNO aimed to foster viable, democratic political strategy for Nicaraguan opposition, gave no military advice, knew of no specific military operations.

o Singlaub - gave no advice, has had no contact in 20 months; Owen - never worked from OLN office, OLN had casual contact, never provided Owen guidance.

o threats/harassment - in response to question, OLN recounted incidents of harassment/threats prior to '85 vote and again prior to '86 vote, speculated that possibly due in part to active measures effort.

cc: NSJDP --CPUA NSOLN --CPUA
NSHKS --CPUA NSFWG --CPUA
NSPWN --CPUA NSJMP --CPUA JOHN M. POINDEXTER
NSRCP --CPUA ROBERT MCFARLANE

1 HPSCI interview of North
MSG FROM: NSJMP --CPUA TO: NSRBM --CPUA 08/11/86 19:01:42
To: NSRBM --CPUA

12Aug1987

JMP 5/241 (22)

516

EXHIBIT OLN-129

~~CONFIDENTIAL~~ UNCLASSIFIED

N 3547

~~CONFIDENTIAL~~

August 9, 1986

MEMORANDUM FOR THE RECORD

SUBJECT: HPSI Discussions Regarding Oliver North

Following Admiral Poindexter's agreement to a request from Chairman Hamilton, Oliver North, Robert Pearson and the undersigned met with the HPSCI in the Situation Room on August 6, 1986. Purpose of the meeting was to address committee concerns relative to a Resolution of Inquiry on Mr. North filed by Representative Coleman (D/TX). In accordance with the agreement, members were provided an opportunity to reyiew relevant correspondence. Throughout the meeting Mr. North was candid and forthcoming, and answered every question about his alleged involvement with support for the Democratic Resistance in Nicaragua to the satisfaction of the committee.

At the end of the session, following favorable comments by members of the Committee, the chairman stated that there was no further need for questions and that they had been answered satisfactorily.

Following that meeting, I met with Representative Coleman and provided him access to the related classified correspondence between the National Security adviser and the HPSCI.

Mr. Coleman related his intention to abide by the committee determination in this matter.

In follow-on conversation, the HPSCI staff director, Mr. Latimer, informed me that the committee did not intend to take further action (1) since the HASC had previously indicated there was no basis for the resolution, and (2) since the HPSCI review did not reveal any wrongdoing.

RONALD K. SABLE
Special Assistant to the
President for National
Security Affairs

Declassified/Released on 6 July 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

1678

EXHIBIT
OLN-129

~~CONFIDENTIAL~~
Declassify on: OADR

~~CONFIDENTIAL~~ UNCLASSIFIED

N1378
12/1

Exhibit OLN-130

FD-302 (REV. 3-10-82)

UNCLASSIFIED UNCLASSIFIED

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 7/25/86

On July 22, 1986, Lieutenant Colonel OLIVER L. NORTH, Director for Political-Military Affairs and the Counterterrorism and Low Intensity Warfare Group of the NATIONAL SECURITY COUNCIL (NSC), was interviewed by the undersigned Special Agent and Assistant Special Agent in Charge of the FEDERAL BUREAU OF INVESTIGATION (FBI), Washington Field Office, at his office located in the Old Executive Office Building. After being apprised of the interviewers' identities and the purpose, NORTH furnished the following information:

NORTH stated he has never personally met JACK REYNOLDS TERRELL, but has heard about him through numerous sources. Among these sources, NORTH enumerated the following:

1) Approximately 18 months ago, [redacted] advised NORTH that [redacted] in Honduras telling people he worked for NORTH. [redacted] told NORTH that TERRELL, known to him as "Colonel FLACO," was in Honduras in a training capacity and was purported to be brutal with the troops. NORTH advised that he recommended [redacted] go to the Honduran authorities to throw TERRELL out of the country. NORTH believed that TERRELL was thrown out of Honduras subsequent to this.

2) When NORTH was in Central America, he heard that FLACO was trying to bring guns into Honduras from Miami. Contacts advised NORTH that TERRELL was telling others he was retired from the UNITED STATES ARMY, Special Forces, and was formerly with the CENTRAL INTELLIGENCE AGENCY (CIA). NORTH stated he ran checks for both, which were negative.

3) NORTH stated TERRELL is to be a star witness in a 1986 civil suit filed in the Southern District of Florida in which a group of United States citizens are named as defendants.

8 July 87

1982

Investigation on 7/22/86 at Washington, D. C. File # Washington Field 199C-4773 — 5

SA ELLEN GLASSER &
ASAC DAVID G. BINNEY EG:mye

Date dictated 7/25/86

This document contains neither recommend… …ty of the FBI and … and its contents are not to be distributed …

UNCLASSIFIED

EXHIBIT
OLN-130

UNCLASSIFIED

4) NORTH stated that TERRELL's name had surfaced in connection with a staff investigation being conducted by Massachusetts Senator JOHN KERRY.

5) While TERRELL's name has not come up, NORTH mentioned that in March, 1986, Washington Post Managing Editor LEONARD DOWNEY received obscene calls at night in which the caller used NORTH's name. DOWNEY wrote NORTH a letter advising him that if the activity did not stop, he would prosecute. NORTH stated that he did not make the calls, wondered who did, and stated he had responded to DOWNEY's letter with a letter offering assistance.

6) TERRELL has used OLIVER NORTH's name on television interviews.

[redacted] G

SINGLAUB can be contacted at P. O. Box 585, Tabernash, Colorado, 80478, telephone [redacted]

// NORTH stated that he is acquainted with both Retired Air Force Major General RICHARD V. SECORD and GLENN ROBINETTE. SECORD runs an import-export business, but is also a consultant to the DEPARTMENT OF DEFENSE (DOD) as a member of the Special Operations Planning and Analysis Group. NORTH advised that SECORD is named in the Florida civil suit, and another suit and hired ROBINETTE, a security investigator, to learn information about TERRELL, the key witness in both suits. NORTH stated that he was aware of ROBINETTE's investigation and has talked to both ROBINETTE and SECORD about it, but he did not initiate the investigation. NORTH has denied media allegations that SECORD works for him and reiterated this point during the interview. //

UNCLASSIFIED

UNCLASSIFIED

Continuation of FD-302 of OLIVER L. NOTH; 199C-4773 , On 7/22/86 , Page 3

On the evening of July 17, 1986, ROBINETTE called NORTH who asked him to do a favor. NORTH had been alerted by the FBI that the FBI sought to immediately locate TERRELL and NORTH asked ROBINETTE to meet with the FBI that evening. Before meeting FBI Special Agents, ROBINETTE met with NORTH in his office, giving him copies of documents, which ROBINETTE later also furnished to the FBI.

NORTH stated he has never met a DAVID MAC MICHAEL, whom he believed is associated with lobbying on Central America and has reported on "atrocities" in the last year. NORTH heard information through contacts that MAC MICHAEL had former CIA ties.

NORTH advised that his NSC duties center around the coordination of interagency process within the NSC and carrying out policy. He has worked extensively in the area of Central American affairs and has played a large role in the "Nicaraguan Policy problem." NORTH stated that he strongly believes in a democratic resolution of Nicaraguan issues. He described himself as an "activist." He has a staff of four, two secretaries and two assistants.

NORTH stated that neither he nor his staff are responsible for funding, arming, or administrating Contra programs. He stated that he is not involved with any covert operations being run in the United States. NORTH does travel extensively and meets openly with foreign leaders, including Nicaraguan Embassy Ambassador CARLOS TUNNERMANN. Other than NSC employees operating within the realm of their assigned duties, he stated he had no subordinates currently operating in the United States and knew of no one on his staff, to include himself, who was operating outside the scope of NORTH's jurisdiction.

On this date, NORTH furnished investigators with an original letter to him, dated June 27, 1986, from TOM POSEY, Head of the CMA.

UNCLASSIFIED

EXHIBIT OLN-131

[redacted]

SHOULD WE EXPECT A SIGNED PACKAGE SOON? [redacted]
Conventional Arms Control Options - package 90662 [redacted]
MSG FROM: NSOLN --CPUA TO: NSJMP --CPUA 09/25/86 17:39:51
To: [redacted]JMP --CPUA

EXHIBIT
OLN-131

*** Reply to note of 09/25/86 16:06
NOTE FROM: [redacted] ,
Subject: Public Affairs Campaign on Central America
The Interior Minister, [redacted] Lew has been on annual leave for two weeks. We put this thing back in its box two weeks ago when I called you in the middle of the night [redacted] believe we have taken all appropriate damage control measures to keep any USG fingerprints off this and with Elliott and [redacted] have worked up appropriate

1504

Partially Declassified/Released on 6 Jul 1987
under provisions of E.O. 12356
by [illegible], National Security Council

FILE: SEP06 [redacted] AO WHITE HOUSE COMMUNICATIONS AGENCY

"if asked" press guidance. V/R North
Public Affairs Campaign on Central America
MSG FROM: NSJMP --CPUA TO: NSDGB --CPUA 09/25/86 19:21:15
To: NSDGM --CPUA

UNCLASSIFIED

*** Reply to note of 09/25/86 19:15

[redacted] JOHN POINDEXTER

IMP 2/15. (27)

EXHIBIT OLN-132

UNCLASSIFIED

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

Non-Log 0

211 Key

September 30, 1986

~~TOP SECRET~~

ACTION

N 30781

EXHIBIT
OLN-132

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: OLIVER L. NORTH

SUBJECT: Press Guidance re Costa Rican Airstrip

Attached at Tab I is draft press guidance regarding the airstrip at Santa Elena, Costa Rica, which was divulged by the Costa Rican Security Minister at a press conference on Friday, September 26. This story has now been picked up by the New York Times (Tab II) and is generating press questions at State and Defense.

The press guidance at Tab I has been coordinated with State (Abrams), Defense (Armitage), and CIA [illegible] to the extreme sensitivity of the issue, your approval is requested before the guidance is used in responding to queries.

The damage done by this revelation is considerable. As indicated in the CIA report at Tab III, the logistics support provided by Project Democracy has had a profound impact on the ability of the resistance to sustain [illegible] in the [illegible]. [redacted]

The airfield at Santa Elena has been a vital element in supporting the resistance. Built by a Project Democracy proprietary (Udall Corporation, S.A. — a Panamanian company), the field was initially used for direct resupply efforts (July 1985 - February 1986). Since early this year, the field has served as a primary abort base for aircraft damaged by Sandinista anti-aircraft fire. The photographs at Tab IV show the field in June 1986 and a damaged Project Democracy C-135, which made an emergency landing on the field early this month. 0

The Arias Administration revelations regarding this facility have caused Project Democracy to permanently close Udall Corporation and dispose of its capital assets. It has also resulted in the loss of a facility important to keeping the resistance supplied and in the field against the Sandinistas.

Partially Declassified/Released on 12 May 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

~~TOP SECRET~~
Declassify: OADR

UNCLASSIFIED

838

FBI Rqt
3/31/87
OLNSFF
Box 1-2

BEST AVAILABLE COPY

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~~TOP SECRET~~ 2

N 30782

[redacted]

While we wait for ( ) to prove his goodwill for our policy, there are important reasons to receive both [redacted] in the Oval Office. (should be invited in lieu of because (is increasingly supportive of our Nicaragua program. [redacted] will be in the U.S. [redacted] Both [redacted] asked if it is possible to have a "3-minute photo opportunity" with [redacted] in order to present him with a [redacted] book. [redacted]) such a brief meeting is highly appropriate.

RECOMMENDATIONS

1. That you approve the press guidance at Tab I and authorize us to pass it to Dan Howard/Paul Hanley for their use if asked.

Approve ___ Disapprove ___

2. That you approve a brief photo op session with [redacted] during your NSC briefing time in the October 17-21 timeframe. If you approve, an appropriate memorandum will be prepared.

Approve ___ Disapprove ___

Prepare a schedule proposal
Coordinate with [illegible]

Attachments
Tab I - Press Guidance
Tab II - NYT Article by James LeMoyne of September 29, 1986
Tab III - CIA Special Analysis, "Nicaragua: Rebel Resupply Increasing," TCS 2922/86 of September 23, 1986
Tab IV - Photographs

~~TOP SECRET~~ UNCLASSIFIED

BEST AVAILABLE COPY

UNCLASSIFIED

September 30, 1986

OK
N 30783

PRESS GUIDANCE RE AIRSTRIP IN COSTA RICA

DID U.S. PERSONNEL SUPERVISE CONSTRUCTION OF THE AIRSTRIP IN NORTHERN COSTA RICA?

"The U.S. Embassy in San Jose, Costa Rica, has reported that during the Administration of Former President Monge the Ministry of Public Security was offered the use of a site on the Santa Elena Peninsula which could be used as an extension of the civil guard training center at Murcielago. The site included a serviceable airstrip which could have supplemented the small one which is located near the training center. The offer was reportedly made by the owners of the property who had apparently decided to abandon plans for a tourism project. The Embassy has no information on the Ministry's decision concerning the offer. No U.S. Government funds were allocated or used in connection with this site nor were any U.S. Government personnel involved in its construction. Any further inquiries should be referred to the Government of Costa Rica."

WAS THE AIRSTRIP INTENDED FOR USE BY THE CONTRAS?

The Government of Costa Rica has made clear its position that it will not permit the use of its territory for military action against neighboring states. The U.S. Government respects that position.

UNCLASSIFIED

BEST AVAILABLE COPY

THE NEW YORK TIMES, MONDAY, SEPTEMBER 29, 1986

20734

Americans Reportedly Supervised Airstrip Project Near Nicaragua

By JAMES LeMOYNE

Special to The New York Times

LIBERIA, Costa Rica, Sept. 28 — Two Americans and the local police commander supervised the building of a military-size airstrip near Costa Rica's border with Nicaragua, according to several local residents, including some who say they worked on the project.

The accounts of the origin and building of the air strip include details that directly contradict official Costa Rican Government explanations. The accounts indicate that the airstrip may be intended for use to supply Nicaraguan guerrillas or assist the American military.

Six Costa Rican residents of the northern border area with Nicaragua, three of whom said they helped build the mile-long airstrip, said in interviews that Americans oversaw the construction.

The strip is situated near an American-built base used to train Costa Rican border patrol units, and American military engineers and special forces have been active in the area in the last year. Nicaraguan guerrillas have bases nearby and have clashed with Nicaraguan Government forces on both sides of the border, although not in the last year.

'Americans Were There'

One town resident who befriended an American working on the airfield said the American identified himself as a former Green Beret demolitions expert who said he was working on "classified" matters.

"Americans were there and there was always a lot of mystery," said a local contractor, Luis Victor Arrieta, who says he was hired earlier this year to spend three months building the airstrip with the advice of the Americans and the permission of the local police commander. "I was told [illegible] was building an airstrip. [illegible] say I was building a road."

Mr. Arrieta said that he was ordered in April to finish work at the airfield quickly and that shortly after that, workers in the area told him that a large military airplane had landed at the field. They said they did not know the nationality of the plane.

Several other local residents said the airfield's existence and use was an open secret in this extremely conservative and fiercely anti-Sandinista town.

"We all know it is a military airfield built by the Americans," one local businessman with close government ties said. "But we will claim it is only a tourist project because we wish the United States would invade Nicaragua and get rid of the Communists there."

U.S. Refuses to Comment

The official spokesman for the United States Embassy in San José, Costa Rica, has refused to comment on the airfield in response to several telephone calls over the last five days.

In Washington, a spokesman for the Defense Department declined to comment.

The newly elected Costa Rican Government, which has tried to remain neutral in the conflict in Nicaragua, appears to have been embarrassed by publicity about the airstrip. Nicaragua is suing Costa Rica in the World Court for permitting its territory to be used by Nicaraguan guerrillas.

In its first public statement last week, the Costa Rican Government said it closed the airstrip earlier this month because it feared it was used by Nicaraguan anti-Government guerrillas and by drug traffickers. Public Security Minister Hernán Garrón added that the field was begun as a tourist project by a Panamanian-based company and then intended as an alternative airstrip for a nearby Costa Rican Government training base.

The airfield is six miles from an American-built base that is used to train Costa Rican border patrol units. But a mountain divides the strip from the base and there appears to be no connecting road. There is flat land near the base that would appear better suited for an airstrip to serve the training site.

Near Deep Water Port

The Green Berets helped build and run the training base, situated near the village of Murciélago. Both the base and the airfield are within a few miles of the last natural deep water port before the Nicaraguan border.

While it is possible that the airfield is used by drug traffickers, it is far larger than the size normally needed by drug runners who usually fly light airplanes that do not require long landing strips.

The [illegible] 1.2 miles long, [illegible] but the largest [illegible] Costa Rican police [illegible] built [illegible] the field as well as a [illegible] operations base.

The Americans who supervised the project gave their names only as "Robert" and "Mr. Bill," according to the two local contractors who built the field. The Americans often consulted with the local police commander and drove a jeep without license plates, one of the contractors said. Three other Americans visited the strip from time to time, the contractor added.

The two contractors, Gonzalo Cordero and Mr. Arrieta, said "Robert" and "Mr. Bill" planned and [illegible] details of the construction. Mr. Cordero, who was the chief contractor, refused to say if the Americans or the local police commander, Col. José Ramón Montero, paid him for his work. Mr. Arrieta estimated the project cost [illegible].

The American who gave his name as "Robert" said he was a former Green Beret demolitions and construction expert who had been in Vietnam, according to a close friend of his in this town who asked to remain unidentified.

"Robert" said he was working on the government training base nearby and also on "classified" projects that he could not discuss, the local resident said.

According to several other local residents the airfield was built from start to finish under the protection of the local police, known as the civil guard. Colonel Montero, who has since retired as police commander, was the one who first asked the two local builders to construct the airstrip in January, the contractors say.

Colonel Montero kept a 24-hour police guard at the airstrip and placed a locked gate on the road to the site to keep people out, one of the contractors said.

A reporter who tried to see Mr. Montero for the last three days was told by servants that he was not home. In an interview last [illegible] with a local newspaper Mr. Montero admitted being involved with the airfield but denied any Americans had been present. He said it was a tourist project.

The immigration official in charge of the Liberia airport, a Government-run installation, said he was surprised Mr. Montero would not see an American visitor.

"Col. Montero likes Americans and [illegible] with the American Embassy," said the immigration official, who asked that his name not be used.

According to the Costa Rican Public Security Minister, Mr. Garrón, the airfield was started last year as part of a tourist development. It was financed by an American company called Udall Research Corporation based in Panama, he said, denying any Costa Rican government involvement in the project.

When the tourist development failed, the airstrip was handed over to the Government under the administration that left office in May, Mr. Garrón said. But its legal ownership appears to remain in doubt since it appears to be on privately owned land.

Udall Research Corporation is not listed in Panama at the telephone numbers given on official government forms. Nor is the airstrip, the largest private field ever found in the country, according to Mr. Garrón, officially registered with the national civil aviation office.

HONDURAS
NICARAGUA
Managua
Lake Nicaragua
Pacific Ocean
Caribbean Sea
COSTA RICA
San José

The New York Times/Sept. 29, 1986

[illegible] airstrip is near Costa [illegible]-Nicaragua border.

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N 30785

Special Analysis

NICARAGUA: Rebel Resupply Increasing

Since January, the main anti-Sandinista insurgent organization has delivered increasing quantities of supplies to base camps in [redacted] and—despite continuing problems with aircraft and [redacted]—to rebel units in Nicaragua. [redacted]

(S NF NC OC)

[redacted]

Improvements

Despite the logistic problems, the FDN delivered 540 tons of [redacted]

continued

UNCLASSIFIED

Top Secret

N 30786

UNCLASSIFIED

69

[redacted]

[illegible] Response

[illegible] has placed a high [illegible] on [illegible] Reagan's [illegible] flights.

[redacted]

[redacted]

69

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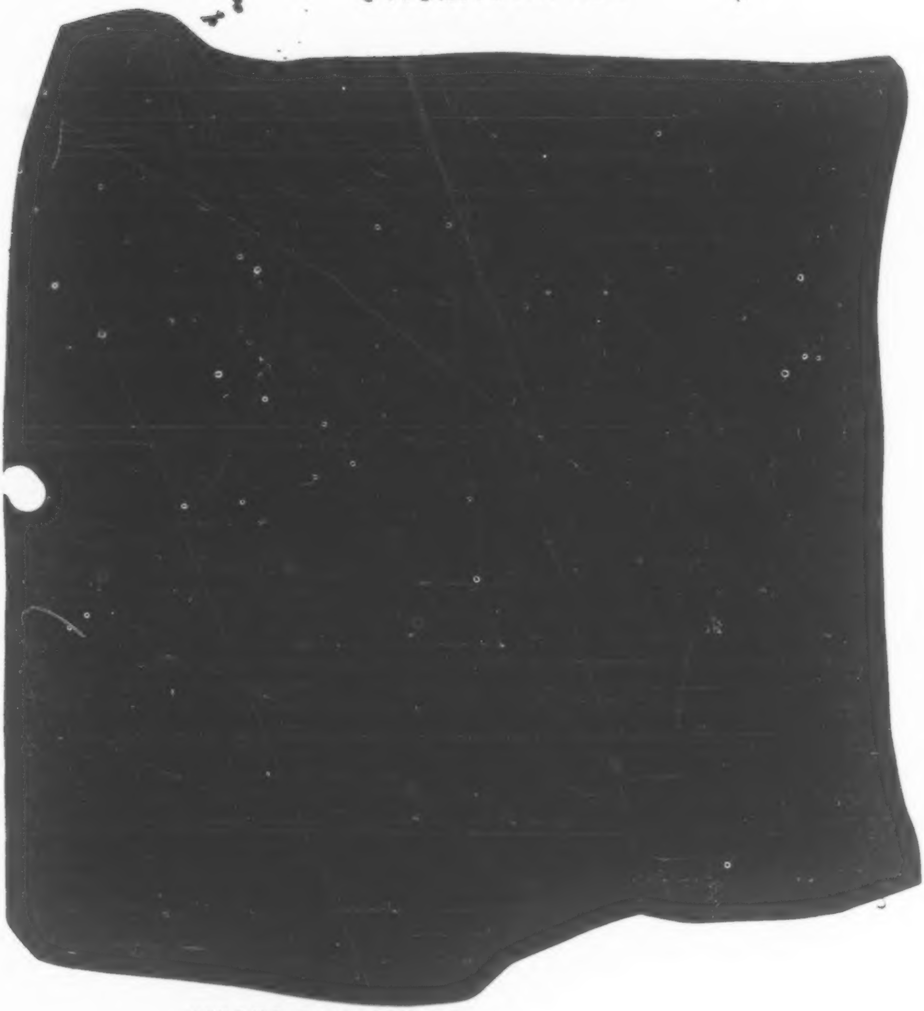

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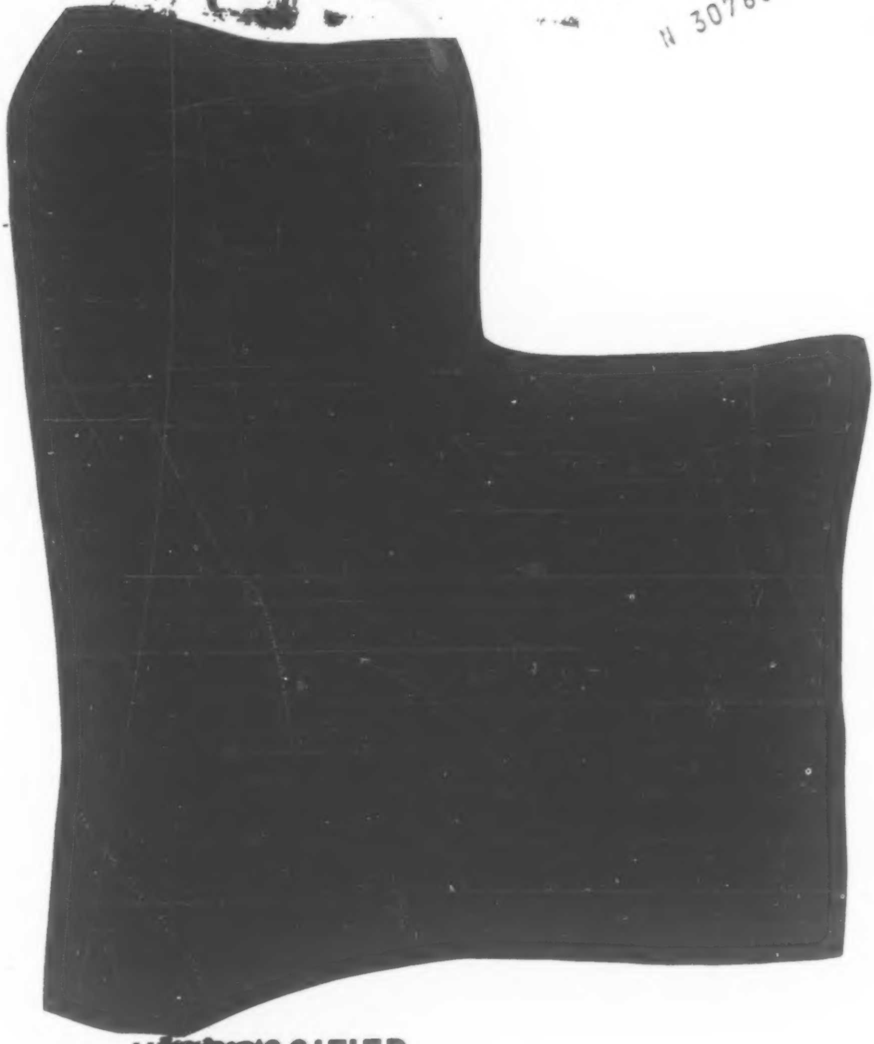

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N 30789

PROJECT DEMOCRACY AIR FACILITY
Santa Elena, Costa Rica
June 10, 1986

DAMAGED PROJECT DEMOCRACY KC-135
After Landing at Santa Elena Facility
September 12, 1986

UNCLASSIFIED

Exhibit OLN-133

UNCLASSIFIED

From: NSVMC --CPUA and time 10/08/86 16:08:12
To: NSRRM --CPUA JOHN M. POINDEXTER NSWRP --CPUA JOHN M. POINDEXTER
NOTE FROM: Vincent Cannistraro
SUBJECT: Downed Plane

At RIG meeting with Elliott Abrams today the question of the captured American held by the Nicaraguans was discussed. Following decisions were made:

--Demands for consular access would continue. Elliott thought Nics would accede to our request today. (He later called me to say the Nics had still not responded and we should be prepared to escalate tomorrow if there is no movement. Believes we may have to make this a "hostage crisis" to exert leverage on Sandinistas.

[redacted]

--Press Guidance was prepared which states no U.S.G. involvement or connection, but that we are generally aware of such support contracted by the Contras.

--UNO to be asked to assume responsibility for flight and to assist families of Americans involved. Elliott will follow up with Ollie to facilitate this.

--ARA will attempt to identify appropriate legal counsel and ask UNO to engage him. Lawyer will be asked to donate services pro bono. Alternatively, private money can be found, according to Elliott.

--HPSCI and SSCI have been briefed and there were no problems.

--Elliott said he would continue to tell the press these were brave men and brave deeds. We recommended he not do this because it contributes to perception U.S.G. inspired and encouraged private lethal aid effort.

cc: NSWRP --CPUA NSRLE --CPUA

Partially Declassified/Released on 6 July 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

1667

EXHIBIT
OLN-133

UNCLASSIFIED

E-50
12/17/86
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EXHIBIT OLN-134

A Captured American Presented by Nicaragua

Reagan Administration Denies U.S. Link to Plane

10-8-86 A1

By Joanne Omang
Washington Post Staff Writer

Top Reagan administration officials yesterday flatly denied any U.S. government connection with a transport plane that the Sandinista government said it shot down in Nicaragua with three Americans and a man of Latin origin aboard.

At the same time, U.S. officials indicated that they knew more about the situation than they were willing to disclose, including the names of those killed in the crash. Secretary of State **George P. Shultz said the aircraft was "hired by private people" who "had no connection with the U.S. government at all."** He said they were "not from our military, not from any U.S. government agency, CIA included . . . . These are private citizens."

A spokesman for the Central Intelligence Agency denied the agency was involved in the mission, as the Nicaraguan government asserted, but refused to deny that it knew anything about it.

The issue of CIA involvement was heightened by Wisconsin relatives of Eugene Hasenfus, the lone survivor of the crash. Sen. David F. Durenberger (R-Minn.), chairman of the Senate Select Committee on Intelligence, told reporters that Hasenfus' wife, Sally, had telephoned the State Department yesterday morning from her home in Marinette, Wis., "and said her husband worked for the CIA."

A spokesman for Sally Hasenfus said she "is not granting any interviews to anyone." Earlier Hasenfus was quoted by wire services as saying of her husband, "I don't know where he is and what he's doing. I only know what I see on the TV, too, and I really don't know anymore."

The Associated Press said that Hasenfus' brother, William, reportedly told a friend that Hasenfus had gone to work 20 years ago for Air America in Vietnam, when it was a CIA cover company, and later returned to work for the firm readying cargo for air drops.

Kathy Pherson, a CIA spokesman, denied any link. "We have nothing to do with the plane, nothing to do with the guy. He does not work for us, and we are not involved," she said. The CIA is barred by law from aiding the Nicaraguan contras, or counterrev-

PLANE, A19, Col. 1

Crash Survivor Described As Adviser in El Salvador

10-8-86 A1

By Julia Preston
Washington Post Foreign Service

MANAGUA, Nicaragua, Oct. 7—An American captured by Nicaraguan troops appeared briefly at a press conference here late today, and the Sandinista military displayed credentials identifying him and the American pilot who died in a downed plane Sunday, as U.S. military advisers in El Salvador.

A second American, the copilot, also was killed, according to Nicaraguan officials.

The Nicaraguan government charged that the flight was operated by the CIA to resupply U.S.-backed rebels, known as contras, inside Nicaragua.

U.S. embassies in Central America denied the aircraft and its crew were linked to the U.S. government.

"My name is Eugene Hasenfus. I'm from Marinette, Wisconsin," said the tall redheaded man who was led out in front of a roomful of journalists by a Sandinista officer.

"I was captured yesterday in southern Nicaragua," Hasenfus said, in a statement lasting less than a minute. He was quickly steered away by Sandinista guards.

Hasenfus is the first American prisoner of war the leftist Sandinista government is known to have captured in five years of fighting against the contras.

Hasenfus, 35, was dressed in a mud-caked blue cotton work shirt, blue jeans and work boots. His face appeared bruised and swollen, but he stood and walked without aid. Deep sadness marked his features.

Lt. Col. Roberto Calderon, Sandinista Army commander in the southeastern jungle region where he said the C123 military cargo aircraft was shot down Sunday afternoon, identified the deceased pilot as Capt. William J. Cooper.

The copilot was identified as Wallace Blaine Sawyer, also killed in the crash. A fourth crew member was of Latin origin but could not be identified, Calderon said. The bodies, found inside the plane's smoking hull, have not yet been evacuated from the region, he said.

According to the Sandinista officer, Hasenfus said under questioning that he was a "kicker," the crew member assigned to push cargo out the plane's open rear door into

See NICARAGUA, A19, Col. 3

EXHIBIT
OLN-134

Nicaragua Presents American Crewman After Crash

NICARAGUA, From A1

the forests below. Hasenfus was said to have parachuted to safety when the plane was pierced by a portable Soviet-Bloc rocket fired by Sandinista infantrymen.

Hasenfus was surrounded and captured at midday yesterday by Nicaraguan counterinsurgency forces as he fled through overgrowth about 30 miles north of the border with Costa Rica.

In the plane's charred and fractured wreckage, Nicaraguan troops found wallets they said belonged to the three Americans. One plastic-encased credential in Hasenfus' name bore his picture and indicated issue by the Salvadoran Air Force on July 20 of this year. It identified him as an "adviser" in the "USA" group at the Ilopango air base in San Salvador.

A similar reddish credential, its photo showing a man with a mustache, was in Sawger's name.

A third credential was issued to Cooper by a Miami-based air freight firm, Southern Air Transport. It was dated April 2, 1986, with a signature identified as that of personnel director Carl Holeva.

One wallet contained the business card of Capt. Humberto Villalta, an officer of the Salvadoran Navy. Another card belonged to P.J. Buechler of the State Department office that administered humanitarian aid for the contras during the past fiscal year.

In El Salvador, the U.S. Embassy said in a statement that Hasenfus "is not part of the U.S. military group here. He has no links with the U.S. Embassy. We don't know who he is."

The U.S. Embassy in Managua sent a diplomatic note to the Foreign Ministry requesting consular access to Hasenfus and additional information about the dead, **according to Alberto Fernandez, the embassy spokesman, who said the** embassy received no response. Fernandez said, **"Neither the airplane nor its crew and cargo were financed by the U.S. government."**

Sandinista troops removed from the wreckage about 70 new Soviet-made assault rifles, 100,000 rounds of rifle ammunition, about one dozen PG7 rockets and 150 pairs of combat boots, said Calderon, the Sandinista commander. Calderon said Nicaraguan intelligence had detected four other contra resupply flights from El Salvador since July. He asserted that the flights circle in from the Pacific Ocean over Costa Rica before looping north into Nicaragua.

[Earlier, Hasenfus told local journalists in San Carlos, near the crash site, that the flight began in Miami, picked him up in El Salvador, then went to Honduras, where it picked up a Nicaraguan, and entered Nicaraguan airspace from Costa Rica at a site called La Noca, The Associated Press reported.]

Calderon quoted Hasenfus as saying in a "conversation" with his captors that five contra resupply planes are parked at the Salvadoran Ilopango base. The downed plane was said to carry registry number C824, according to a log book Calderon held in his hands.

None of the three Americans appeared to be active-duty U.S. military personnel. Hasenfus reportedly said he served in the U.S. military in Vietnam until 1972 and had "continued to do the same work he did in Vietnam."

In Tegucigalpa, a contra spokesman said by telephone that all of his group's aircraft were accounted for undamaged "in their airports."

Carlos Icaza of the Nicaraguan Democratic Force (FDN), which with an estimated 14,000 men, is the largest contra force, said the group sometimes accepts aid, including air resupply of its field fighters, from "private volunteers."

But the contra leader said that in recent weeks no organization made any attempt to coordinate such assistance with the FDN.

Icaza said the CIA has not been involved in resupplying contra rebels with flights over Nicaragua since its mandate to provide aid was suspended in 1984. He said no U.S.-supported contra group currently has enough funds to obtain an airplane such as the C123.

The C123 is a twin-engine cargo craft that has been in production, with various models, since Fairchild introduced it in the 1950s. It has been a staple troop carrier for the U.S. Air Force and was in heavy use in Vietnam.

PLANE, From A1

olutionaries, with anything but intelligence information, "and we do not break those restrictions," she said.

Asked whether that meant the agency knew nothing about the incident, Pherson said, "I can't help you."

Asked to identify the four men, State Department officials said they had the names but would not reveal them. They would not say how they had obtained the names.

Elliott Abrams, assistant secretary of state for inter-American affairs, told reporters that if reports that the four were carrying arms to anti-Nicaraguan rebels were true, "then they are heroes."

Ernesto Palazio, spokesman here for the United Nicaraguan Opposition, the rebels' umbrella organization, said the downed plane "could very well be" one of the contras' planes, but that he was not yet certain. "Ever since Congress placed restrictions on aid, we have had to go get private donations," he said. "Occasionally we have had to use the services of volunteers to complement our own pilots."

He said there had been no contact yet with contras on the ground near the crash site in southern Nicaragua.

Spokesmen for several groups previously associated with aid shipments to the contras denied any link to or knowledge of this flight. They included officials of the Civilian Materiel Assistance, formerly Civilian-Military Assistance, in Memphis, which supplies medical and other aid and which lost two members in a September 1984 helicopter crash in Nicaragua.

Retired major general John K. Singlaub, head of the U.S. Council for World Freedom in Phoenix, who has spoken proudly of facilitating arms purchases for the contras, said from the Far East through spokeswoman Joyce Downey that he knew nothing about the plane. "We have located all of our people," Downey said.

Officials of Southern Air Transport in Miami, whose planes have reportedly been chartered for previous aid flights to Nicaragua, said they knew nothing about this one or Hasenfus. William Hasenfus said his brother, Eugene, had been working for a Florida air freight company, but refused to name it.

Defense Department records show that a Eugene Hasenfus joined the U.S. Marines on May 9, 1960, was trained as a parachute rigger for equipment drops and sent to Camp Pendleton, Calif., where he remained until he left the service as a corporal June 17, 1965.

His military records say he did not serve abroad. His stepmother, Theresa Hasenfus, told The Associated Press, however, that he had served in Vietnam.

Durenberger said at a news conference that the CIA had assured the intelligence committee that "there is absolutely no connection between that plane, what was in that airplane, the pilots or anybody else [on board] and a U.S. government-financed or -sponsored effort such as the so-called contra operation."

Durenberger added that he believes the agency: "They have so much riding on this . . . . I don't think they've ever lied to any of us. The problem is what they don't tell you."

Sen. Patrick J. Leahy (D-Vt.), the committee vice chairman, said he was concerned that the flight might have been "connected with any of these soldier of fortune type operations which are sort of sent out there with a wink and a shrug as a way of going around our stated foreign policy." If there is such a link, he said, "then I think we're in for some very serious trouble."

Committee spokesman David Holliday said later that, based on current information, "nobody on the committee believes that the CIA or any government agency violated the law or did something they shouldn't have done."

Rep. Michael D. Barnes (D-Md.), head of the Foreign Affairs subcommittee on Western Hemisphere affairs, said he thought it "unlikely" that the government was not involved. "Very little of what's happening down there right now is not somehow affected by U.S. action," he said.

Rep. Henry B. Gonzalez (D-Tex.), meanwhile, called for a House investigation into two recent air crashes in Texas and Nicaragua to determine whether they were part of an alleged covert CIA operation aimed at toppling the Sandinista government.

Rep. Henry J. Hyde (R-Ill.), a member of the House Permanent Select Committee on Intelligence, said he agreed with Assistant Secretary of State Abrams. "The Soviets are pouring all kinds of stuff in there. And unless there's some kind of an effort at equalization, the contras will be overwhelmed," he said. "Anyone who's attempting to keep them viable, I say, 'God bless 'em.' "

Abrams said he thought the plane was "what we call a humanitarian flight" of the sort that had "kept the resistance alive" since Congress cut off U.S. aid to it in May 1984. "Some very brave people . . . have been willing to actually bring this material into Nicaragua, which seems to be the case with this flight," Abrams said. "God bless them . . . . If these people were involved in this effort, then they are heroes."

He said he had "some intelligence about the plane" and the people on it but that the information "is not for public consumption."

Asked about possible violations of the Neutrality Act, which bars U.S. citizens from supporting attacks on nations with which the United States is not at war, Abrams said he had advice for others seeking to aid the Nicaraguan rebels: "If you're planning to do something like this, get yourself a lawyer."

EXHIBIT OLN-135

1. Massachusetts Avenue N W
Washington DC 20001
.02 898 7800

PLEASE CREDIT EXCERPTS TO "EVANS & NOVAK" (CNN).

EVANS & NOVAK

AIR TIMES:	Saturday, October 11, 1986; 12:30 PM, ET Sunday, October 12, 1986; 12:30 AM & 4:30 PM, ET
ORIGINATION:	Washington, D.C.
GUEST:	ELLIOTT ABRAMS Assistant Secretary of State for Inter-American Affairs
INTERVIEWED BY:	Rowland Evans & Robert Novak
PRODUCER:	Elissa Free
ASSOCIATE PRODUCER:	Susan Cheikan

EDITOR: This is a rush transcript provided for the information and convenience of the press. Print and broadcast media are permitted to quote this transcript provided credit is given to "EVANS & NOVAK" (CNN). Video and audio cassettes are available upon request to the media. For further information, please contact Elissa Free or Susan Cheikan at (202) 898-7900.

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Transcript inquiries only: (202) 347-2321

EXHIBIT
OLN-135

N1712
12/3/[illegible]

CNN'S EVANS & NOVAK

MR. NOVAK: I'm Robert Novak. Rowland Evans and I will question a senior administration official about the American shot down over Nicaragua by the Sandinistas.

MR. EVANS: That official is Assistant Secretary of State Elliott Abrams.

MR. EVANS (on tape): Who is Eugene Hasenfus? We know he is an American citizen, an ex-Marine, a solider of fortune in the Vietnam War, and we know his transport plane was shot down over Nicaragua. The CIA flatly denies that he was a CIA man, or that the CIA had anything to do with the plane or with Hasenfus. And President Reagan strongly suggested that Hasenfus is a good American citizen acting as a private citizen to help the U.S.-backed contras overthrow the Sandinista-Marxist regime.

PRESIDENT REAGAN (Wednesday, October 8, 1986): We've been aware that there are private groups and private citizens that have been trying to help the contras, to that extent, but we did not know the exact particulars of what they're doing.

MR. EVANS: Mr. Secretary, can you give me categorical assurance that Hasenfus was not under the control, the guidance, the direction, or what have you, of anybody connected with the American government?

MR. ABRAMS: Absolutely. That would be illegal. We are barred from doing that, and we are not doing it. This was not in any sense a U.S. government operation. None.

MR. NOVAK: We'll be back with more questeions for Assistant Secretary Abrams after these messages.

- - -

MR. NOVAK: Assistant Secretary of State Abrams, you gave categorical assurance in answer to my partner's question that Mr. Hasenfus is not taking orders from anybody connected with the U.S. government. You know, in this town, sir, that gets howls of laughter, particularly from my colleagues, when Mr. Hasenfus himself says I thought I was working for the CIA.

MR. ABRAMS: First, we don't know what Mr. Hasenfus thinks. Mr. Hasenfus is a captive of the Sandinistas; he is in their control. God knows what they are saying to him or doing to him. And nothing that he says while he's in their captivity can be thought of as being his actual views until he's free to speak. Secondly, it is conceivable also to me that he thought--because I don't know him--that he thought he was, in fact, working for the CIA. That is conceivable.

MR. NOVAK: Why would he think that?

MR. ABRAMS: Well, I'll get to that in a second. I just wanted to repeat that categorical assurance that he was not. If you look at this series of people who are, in fact, engaged, and have been for the last couple of years in helping the contras, they came in when the Congress abandoned the fredom fighters in Nicaragua, and they've been keeping them alive for two years. When they got started, it looks as if they did what you'd you expect. They looked around and said, who's got some experience for this kind of work. And they came up with some people who were in Air America, which had connections with the CIA in Vietnam, and who were in Vietnam, and who were in the CIA. You'll find a close pattern of relationships here. You'll find some old school ties. But you will not find any current ties.

MR. NOVAK: All right, now, just on Friday the San Francisco Examiner reported that, no, quoting intelligence sources, said there was no CIA connection, but there was connection, of all places, from Vice President Bush's office. That Vice President Bush's security aid, Mr. Don Gregg, had hired this Max Gomez, who Mr. Hasenfus described as a CIA agent. Do you know anything about that?

MR. ABRAMS: Not a lot. I first heard about it on Friday morning as well. I can say first of all there's no Max Gomez. Whoever that gentlemen is, he certainly isn't named Max Gomez. So we need, first of all, to find out who he is. Secondly, I knew nothing about any connection to the Vice President's office whatsoever. And thirdly, in his capacity down there in Central

America helping whoever he is, he is not on the U.S. government payroll in any way.

MR. NOVAK: Now, when you say gave categorical assurance, we're not playing word games that are so common in Washington. You're not talking about the NCS, or something else?

MR. ABRAMS: I am not playing games.

MR. NOVAK: National Security Council?

MR. ABRAMS: No government agencies, none.

MR. EVANS: Mr. Secretary, you said that if the Sandinistas had Hasenfus in captivity, and if he said what they wanted him to say, he'd be out in no time; if he didn't, he might be in for 30 years. Will he now be out in no time, since he has said he was a CIA man?

MR. ABRAMS: I don't know. I don't know how they're--

MR. EVANS: But you said that.

MR. ABRAMS: Well, that's right. and the question is what they think of what he said, and what they're trying to use this incident for, for political advantage, obviously. But how? Will they risk a trial? Will they risk turning themselves into an Iran with kangeroo courts of Americans?

MR. EVANS: You think he has been coerced into making this statement about the CIA. You don't think he made it knowing that it was correct, thinking it was correct, I mean. He made it knowing it was false?

MR. ABRAMS: I don't know. I know that you cannot rely on any statement he makes while in their control as being his actual views.

MR. EVANS: Mr. Secretary, the New York Times reporter down there--I don't remember his name, but I think he's probably a good reporter--said that he had inspected the records on the plane, the documents, for two hours, and he said they don't prove anything to me, but he said everything I looked at tends to support what Hasenfus has told us, that he was a CIA man.

MR. ABRAMS: Well, he wasn't.

MR. EVANS: Can you give me an explanation of that?

MR. ABRAMS: Yes. I would first point you, again, to the Senate and House Intelligence Committee chairmen, Durenberger and Hamilton--

MR. NOVAK: Senator Durenberger of Minnesota and Congressman Hamilton of Indiana.

MR. ABRAMS: That's right, who has said--

MR. EVANS: Chairman of two Intelligence Committees.

MR. ABRAMS: Both chairmen, one Democrat, one Republican, have said this is not in any sense a CIA operation. And I want to repeat that again. Why does it look like a CIA operation? I will bet you, and it's a bet because I don't know for sure that there are ex-CIA people involved, or people who have done this kind of work before in Asia and Africa, in Latin America. Who do you--you know, then you're putting an operation like this together, you don't advertise in the New York Times. You ask around for people who are reliable.

MR. EVANS: I understand that. Mr. Secretary, let me pursue this one more, and don't please draw erroneous conclusions about my own feelings about this from these quesetions. I'm only seeking the truth. I'm not telling you think. I think the man is a patriot. However, he's being paid three thousand dollars a month, and if there's one who kicks out the cargo being paid three thousand dollars a month, there must be twenty or thirty or forty or heaven knows how many. Who's supplying that money?

MR. ABRAMS: I can tell you only one thing about that, and that is that there is no one source, as near as I can make out, nor is there any one organization. There are a whole bunch of them. I don't know who they are. I want to be very clear on that. We do not follow and find out the identities of the thousands of Americans who help the FMLN guerillas in El Salvador, the communists, or the communist regime in Nicaragua. Because they have a right to do so as Americans. And we don't follow the people who are trying to help U.S. policy and restore freedom to Nicaragua. I don't know who they are.

MR. EVANS: Saudi Arabian money?

MR. ABRAMS: I have heard that, again, on Thursday or Friday, and as far as I am aware it is just plain false.

MR. EVANS: Israeli money

MR. ABRAMS: Again, as far as I am aware--but I want to--

MR. EVANS: I can't believe you don't know where that money's coming from.

MR. ABRAMS: I do not know where that money is coming from.

MR. NOVAK: All right, Mr. Abrams, there's one problem with your story. And that is that Mr. Hasenfus says that his plane had been taking off from a U.S. airbase in El Salvador, it had taken off on this particuliar flight from a base used by the U.S. military in Honduras, and the Joe Smith Ajax Transport Company can't just use those bases. You have to have a lot of clout to use a U.S. military base.

MR. ABRAMS: I start again, you don't know what Mr. Hasenfus actually believes. You only know what he's saying under the control of the Sandinistas. As to allegations of third country involvement in this, you, I think, would understand, I am never, ever going to comment publicly on allegations that other countries are involved.

MR. NOVAK: But it's our air base in El Salvador.

MR. ABRAMS: We don't have any air bases in El Salvador.

MR. NOVAK: Well, who owns that base in El Salvador, who maintains that base?

MR. ABRAMS: We don't have any bases, and therefore, any bases that exist in El Salvador are maintained by the government of El Salvador.

MR. EVANS: We have the right to use it, however. We rent certain facilities at that air base.

MR. ABRAMS: I don't believe that's correct.

MR. NOVAK: You've backed me into a cul de sac, Mr. Abrams. You're a very clever fellow, but the point of the matter is that if you have this plane using U.S. military facilities, and they are down there--

MR. ABRAMS: It is not. Let me just say that. It is not. That if this plane were using, the plane that was downed, U.S. military facilities, we would be in violation of the law, because the law says no weapons to the freedom fighters, and we are not doing that it. They are not using U.S. military facilities.

MR. NOVAK: So you are extending your categorical denial to that.

MR. ABRAMS: To DOD, absolutely.

MR. NOVAK: One more thing on the legal end, Mr. Abrams. There are a lot of people on this network, on CNN, last week Congressman Peter Kostmayer of Pennsylvania said that this man, whatever else, Mr. Hasenfus was in violation of the Neutrality Act. What do you think of that?

MR. ABRAMS: I'm not expert on the Neutrality Act. My understanding is that if Mr. Hasenfus was working in Central America that he was not in violation. If he was shipping arms out of the U.S. then perhaps he was. But that, you know, these are eighteenth century, arcane statutues. I can't tell you whether he was or wasn't. But I don't think he was.

MR. NOVAK: Do you think we ought to repeal the Neutrality Act?

MR. ABRAMS: Oh, I'm not going to touch that one.

MR. EVANS: But you think it's a non-act anyway; you say it's arcane, archaic.

MR. ABRAMS: No, we have, no, there have been people who have been actually prosecuted by the Justice Department for violations of it.

MR. EVANS: Now, Mr. Assistant Secretary Elliott Abrams, I hate to do too much on this, but I have to. A plastic ID was found in that aircraft. It was issued by the Salvadoran air force. It identified Hasenfus as a quote, as an, quote, advisor, unquote, in, quote, U.S.A., unquote, group at Ilopango.

MR. NOVAK: Ilopango's the air base in El Salvador.

MR. EVANS: Correct.

MR. ABRAMS: I'll repeat again. He was not in any way not only a U.S. government employee, U.S. government adviser, he had no connection whatsoever with the U.S. military.

MR. EVANS: I have to believe you, because I know you're an honest man. Explain to me what the word adviser, and U.S.A., those two words, mean, could mean, what could they mean?

MR. ABRAMS: This--my understanding was it said, it said "Grupo U.S.A.", U.S.A. group. That's not the U.S. military adviser group. The first thing I did when I heard about that from the Sandinistas in TV was to call our ambassador in El Salvador and say who's on, who's in your military group, the famous 55 advisers, is this man any way--no connection. Now, who printed up that card and who gave it to him? I don't have a clue.

MR. EVANS: Now, let me ask you another question that intrigues me, and Sally, Mrs. Hasenfus, and apparently she's a very intelligent woman living up there in the great state of Wisconsin. I was told that she phoned the State Department, and in asking what had happened to her husband, said, of course, he is with the CIA. Why would she on earth do that?

MR. ABRAMS: If she said that, I can think of one very good reason. Maybe she thinks that he was.

MR. EVANS: In other words, that he was not leveling with her as to what is real--

MR. ABRAMS: I don't know. All I know for a fact is that he wasn't.

MR. NOVAK: You're going to say that maybe he thinks he was, too?

MR. ABRAMS: Oh, that's perfectly plausible to me.

MR. EVANS: How? Explain that to our--

MR. ABRAMS: Remember the--

MR. EVANS: I don't understand that. I don't think our viewers understand that.

MR. ABRAMS: Oh, I think it's simple. Remember what's going on here. A group of people, lots of people, disorganized groups of people are engaged in supplying the resistance. They know that what they're doing is generally approved of by the administration, and it is, keeping the freedom fighters alive until Congress finally acts.

They know that this was an activity that the United States has been engaged in on and off. For example, we had the humanitarian assistance, getting uniforms, food, medicine, to the freedom fighters, and someone comes along and says, I'd like to put you on a covert CIA operation. I'll pay you three thousand dollars a month. Will you help me? You say yes. You don't actually know whether it is a covert CIA operation or not. When you get down to the level at which Mr. Hasenfus was working, a so called kicker, pushed things out of the airplane, into Nicaragua, I very much doubt whether he was exactly sure who was paying him.

MR. NOVAK: All right, Mr. Abrams. By coincidence or not, the Sunday of last weekend, CBS, "60 Minutes", one of the most widely watched programs in America, had a feature on retired Major General John Singlaub in which their promotion said, ah, here's a guy who will fight your war for you, as long as it's an anti-communist war. They kept hyping that during the football game. The New York Timese subsequently says--Mr. Singlaub is in the public consciousness--that General Singlaub's organisation owned this plane that crashed; General Singlaub denies it. Who is telling the truth?

MR. ABRAMS: Singlaub was telling the truth. That was not one of his planes, as near as I can make out. The Times story to which you refer, about a week ago, is filled with errors, and that's one of the errors. There is a mistaken view that General Singlaub does all of this. There are actually a lot of groups out there, and a lot of people helping.

MR. NOVAK: Now, I want to just go into this whole question, if I could, of this operation, which as a military amateur it seems to me was the most amateurish thing I could imagine. It was a daylight operation. There was no back up plane. It looked like they didn't use much evasive action. Is this, how dcome operating this way they didn't shoot down a plane long before this? Do you have any guess?

MR. ABRAMS: Yes. Sheer luck. And the fact that the good, that anti-aircraft material has been growing in Nicaragua as the Soviets shipped in more. I'd just pick up on that to say one other thing. The reason this is going on, the reason that there are Americans who were killed and shot down is that Congress won't act. If this bill passed, and the U.S. government were permitted to do this, under that statute no American goes near Nicaragua or within twenty miles of its borders.

MR. NOVAK: Will it pass before the end of this session?

MR. ABRAMS: I believe it will. I believe it will pass next week.

MR. EVANS: Mr. Assistant Secretary Elliott Abrams, do you feel that the credibility of the U.S. government, which has been under some attack anyway, quite apart from this incident, has been hurt by this?

MR. ABRAMS: I think it's too soon to tell. I take great comfort in the fact that the Intelligence Committee members I speak to seem to be in complete agreement that, yes, there was no U.S. government involvement. In fact, even the journalists I speak to have, I think, tended to come to the conclusion.

MR. EVANS: Mr. Secretary, Bernard Kalb, one of your beloved associates, until very recently, just quit the State Department on a charge that he couldn't work under an administration that had a credibility factor as large as the Reagan administration. What do you think about that?

MR. ABRAMS: You're tempting me.

MR. EVANS: No, no. Speak out.

MR. ABRAMS: I think that resigning with this kind of public fuss a few days before the President goes off to a pre-summit meeting with General Secretary Gorbachev was something that should not have been done.

MR. NOVAK: It would have been okay if he resigned three days later, in other words.

MR. ABRAMS: Well, I think it would have been a lot better for the country had it been done a few days later. I also think that it just doesn't wash, because the accusation seems to be that the rest of us really should be resigning, too, including the Secretary. And that's just silly.

MR. EVANS: You testified, I believe, on this last Friday, before the Senate Foreign Relations Committee--I believe that's true.

MR. ABRAMS: That's right.

MR. EVANS: Do you find any opposition, or any criticism, or any questioning up there, and is it left or right? Is it liberals or conservatives?

MR. ABRAMS: I find questioning from liberal Democrats about the--

MR. EVANS: Like?

MR. ABRAMS: Well, Senator Kerry, for example, has long been--

MR. EVANS: Of Massachusetts.

MR. ABRAMS: --questioning--that's right. It's basically opponents, basically it's opponents of the policy who are, I would say, looking for yet another way to oppose it.

MR. EVANS: And these are liberals?

MR. ABRAMS: Yes.

MR. EVANS: Did you remind them that the liberals were behind the movement to help the Spanish communists and socialists in the Lincoln Brigade in the 30's?

MR. ABRAMS: No, we didn't.

MR. EVANS: Didn't come up?

MR. ABRAMS: Didn't come up.

MR. EVANS: Do you see an analogy there?

MR. ABRAMS: I would see an analogy. But I would also make a closer analogy today. There are thousands of Americans who are supporting the communist regime in Nicaragua, and the communist guerillas in El Salvador--the FMLN--and we're not going after them. We're not trying to pursue them; we're not trying to find out who they are. They have a right to do that. And they have a right to support communist regimes. We have a right to oppose them.

MR. NOVAK: Let me follow that up closely. Andrew Messing, who I think you might know--

MR. ABRAMS: I do know.

MR. NOVAK: He's a fellow who helps fight these low intensity warfares around the world, anti-communist. He says that there are Americans who are actually fighting in Nicaragua on the communist side. Do you know that for a fact?

MR. ABRAMS: No. I don't recall any intelligence reporting about Americans being in combat.

MR. NOVAK: Let me ask you another question about Nicaragua. There are reports that the Sandinista army, armor, aircraft, artillery, is massing for an attack on the Miskito Indians who have been in resistence before the American aid finally gets in there. Do you know that to be true?

MR. ABRAMS: I would rather not comment on the state of our intelligence about Sandinista military activities. I'm sorry.

MR. NOVAK: Well, let me generalize the question, Mr. Abrams. Do you think it is possible that there will be some severe military blows suffered before the aid arrives? Is it possible, without talking about Sandinista intentions.

MR. ABRAMS: I think we're getting too close, now. We're a few days away. I think the real question is how do the Sandinistas react to the President signing that bill next week. We think they'll go to the U.N. But more than that, will they attack Honduras again? What will they do? Will they do a big internal attack? We'll see.

MR. EVANS: We only have a moment left. The C2M is the rocket described to me as that which fired against the plane that brought down Hasenfus. Do you know what a C2M is?

MR. ABRAMS: No.

MR. EVANS: Do you know who makes it?

MR. ABRAMS: My understanding is that the plane was brought down by a Soviet made rocket.

MR. EVANS: Maybe that's the C2M. Is there an increase in those Soviet rockets, right now?

MR. ABRAMS: There is an increase in rockets, and a massive increase in Soviet helicopters, and a massive Soviet arms inflow in 1986 into Nicaragua.

MR. EVANS: But specifically on anti-aircraft rocket, does this worry you about all supply planes going in there now?

MR. ABRAMS: It certainly does. It's going to be a larger problem.

MR. NOVAK: We have just under 30 seconds left, Assistant Secretary Abrams. Just looking at this from the broad picture, do you think all this publicity, this hype, do you think this could yet turn around the question in Congress where the--although it's passed both houses--the hundred million dollars in aid would be denied to the contras?

MR. ABRAMS: No. People will try to do that, but the Intelligence Committees who know the facts know that there was no U.S. government role in this.

MR. EVANS: One last question. We only have two seconds left. Any new indications of fixed wing jet aircraft coming in soon to the Sandinistas from Cuba or the Soviet Union?

MR. ABRAMS: No.

MR. EVANS: Is it a high concern of yours?

MR. ABRAMS: It is a great concern. It always is. But we don't see it happening.

MR. EVANS: Thank you, Mr. Secretary Elliott Abrams. My partner and I, after these commercials, will be back with a comment.

- - -

MR. EVANS: Bob, I don't know whether the Assistant

Secretary of State for Latin America has taken lessons on how to be cool under fire, couth under fire, but I gave him the worst pummeling I could. I really tried to get in there. Of course, you were rather aggressive yourself. We didn't get anywhere in bending him out of his position that the U.S. government in no way, shape or form had nothing, in anyway, guidance, organizational, orders, et cetera, to do with this unfortunate, this tragic case.

MR. NOVAK: You know, I've seen a lot of cover-ups in this town, Rowland, and we both may end up with egg on our face before this is over, and this is all an elaborate lie, but this doesn't look like a cover-up, and it doesn't because there is no equivocation. He says it didn't come from a U.S. military base. He says that these companies are not CIA companies. The so-called Max Gomez, the CIA operative, supposedly hired by the CIA or Vice President Bush, doesn't even exist. No, no, no, he says.

MR. EVANS: He makes a good point, too, Bob. He made the point if the U.S. Congress had acted on President Reagan's request for a hundred million dollars worth of military aid, a month ago, weeks ago, or even yesterday, this might not have happened in the way it did. But as he pointed out, the Congress has been sitting and twiddling its thumbs on this issue month after month after month. Now, it's supposed to pass, we hope, before they adjourn next week. We're not sure.

MR. NOVAK: Elliott Abrams wrestled with his conscience and won, and criticized Mr. Kalb, Bernard Kalb who resigned as Assistant Secretary of State for Public Information, on grounds of principle, and he was burned by that. He felt that Bernie Kalb was making him and the other people look like they didn't have any principle for staying on the job. And I think we got a little touch of reality there.

I'm Robert Novak.

MR. EVANS: I'm Rowland Evans.

- - -

EXHIBIT OLN-136

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EXHIBIT
OLN-136

not have Reed/Cicippio, who are probably in hands of Libyan controlled group which earlier bought/killed Kilburn. [illegible] Sam believe that these guys may be the only way we can ever get our hands on Reed/Cicippio since their access and info in the Lebanon are so much better than ours.
BOTTOM LINE: Recommend that we wait for their call on Tuesday. If their position is same as above or better, we shd push them to include Buckley remains and transcript and then get on with it. Pls advise.
Ican

```
MSG FROM: NSOLN   --CPUA      TO: NSMCA   --CPUA                10/12/86 16:33:11
To: NSMCA   --CPUA
```

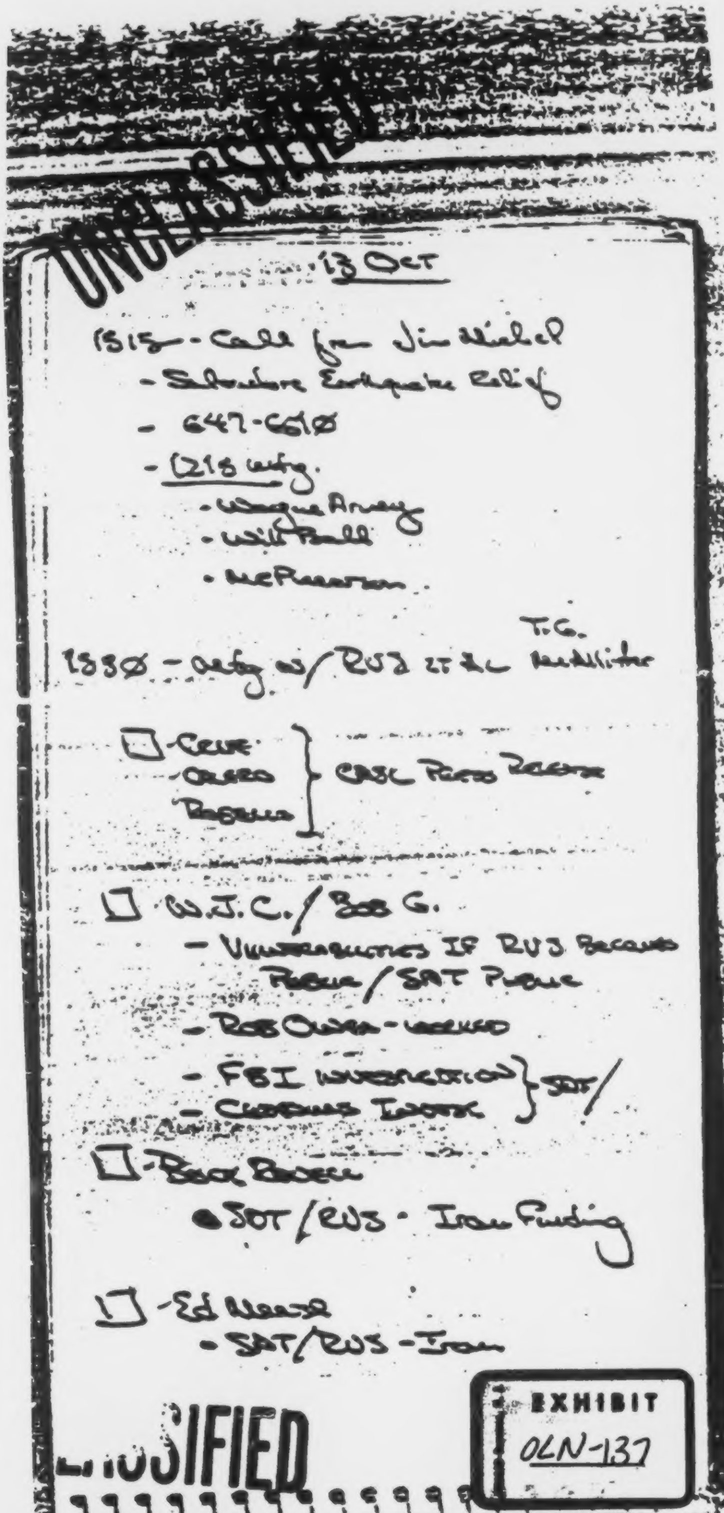
*** Reply to note of 09/10/86 21:39
NOTE FROM: OLIVER NORTH
Subject: Anything going on??
We urgently need to find a high powered lawyer and benefactor who can raise a legal defense for Hasenfus in Managua. If we can find such persons we can not only hold Gene and Sally ~~[illegible]~~ together (i.e., on our side, not pawns of the Sandinista propaganda machine) but can ~~[illegible]~~ significant headway of our own in ~~[illegible]~~dia. Obviously, there is the added benefit of being able to do something substantive in the legal system to defend this young man. I know that this is a tall order and that many U.S. lawyers will not want to step up to this task, but for the man (or woman) who does, there will be a fair bate of history made in the next few weeks. There will, no doubt, be a show trial of some kind launched and unless we have an overt, competent legal defense, Hasenfus will become nothing but a tool in their hands - none of which is in our interests, or his. By Tuesday a Swiss lawyer, retained by Corporate Air Services, should be in Managua. We should not rely on this person to represent the whole case since he is suspected by [illegible]. We would be far better off if we had an overt mechanism here in the states which represented USG/Hasenfus' interests, and one would not have to respond to questions regarding the origins of Corporate Air Services, Inc. (CASI), or its other ongoing activities. The CASI lawyer is being instructed to cooperate fully w/ this U.S. Attorney, whoever he/she may be. Have also located approx. ~~[illegible]~~ the goal to keep CASI in ~~[illegible]~~. Can you help? If need be, I can meet w/ you/others tomorrow or Tues. Believe this to be a matter of great ~~[illegible]~~ hold things together. Unfortunately RR was briefed that this plan was being contemplated before he left for Iceland and am concerned that along about Wednesday when people begin to think of things other than meetings in cold places, he will remember this and nothing will have been done.
Any thoughts wd be much appreciated. Elliott Abrams willing to sit-in any time after Yom Kippur fast is finished tomorrow night. Pls Advise. V/R, North
Anything going on??

[redacted]

[redacted]

NP

EXHIBIT OLN-137



UNCLASSIFIED

13 Oct

1515 - Call from Jim Michel
- Salvadore Earthquake Relief
- 647-6610
- 1218 mtg.
  - Wayne Arney
  - Will Ball
  - McFarland.

T.G.
1330 - mtg w/ RVJ at CL McAllister

☐ - Cruz
- Calero
- Robelo
} CASL Press Release

☐ W.J.C. / Bob G.
- Vulnerabilities if RVJ becomes Public / SAT Public
- Rob Owen - worked
- FBI investigation
- Customs Invest.
} SAT/

☐ - Buck Revell
- SAT / RVJ - Iran Funding

☐ - Ed Meese
- SAT/RVJ - Iran

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EXHIBIT
OLN-137

EXHIBIT OLN-138

[redacted]

[redacted]

*P: NOTE [redacted] WHITE HOUSE COMMUNICATIONS AGENCY

PAGE 00001

UNCLASSIFIED

[redacted]

[redacted]

[redacted]

[redacted]

N 18193

EXHIBIT
OLN-138

*** NOTE FROM: NSRLE --CPUA TO: NSJMS --CPUA 10/28/86 12:53:30
*: NSWRP --CPUA

*** Reply to note of 10/28/86 11:41
NOTE FROM: Robert L. Earl
Subject: CALLS
Jo, I don't really have any ideas on this. I did hear Ollie talking to Rodney McDaniel on this subject last night as he was flapping to get out the door -- OLN expressed surprise and disbelief; he's not aware of any calls made from there or who might be calling from there.... You might want to check w/ Dooley, who reported at the staff meeting this morning on the "puffy charges" in Denmark, that he was surprised that Denmark made such a big deal of it....
Hypothetical question: How does one know where an incoming call is being made from?

* NSCPC --CPUA   NSRLE --CPUA
CALLS

[redacted]

[redacted]

UNCLASSIFIED

[redacted]

6May1987

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EXHIBIT OLN-139

From· NSRKS --CPUA Date and time 10/28/86 11:43:52
To: NSCᴾC --CPUA NSRLE --CPUA
NOTE FROM: Ron Sable
Subject: CALLS
any ideas?

UNCLASSIFIED

~~SECRET~~

*** Forwarding note from NSRKS --CPUA 10/28/86 11:24 ***
To: NSOLN --CPUA

N 8367

NOTE FROM: Ron Sable
SUBJECT: CALLS
TOM LATIMER(HPSCI STAFF DIR.)CALLED ON B. :HALF OF THE CHA.RMAN, INQUIRING ABOUT THE NEWSWEEK STORY ON C"CALLS FROM EL SA: VADOR(ANTEL RECORDS) DURING THE PERIOD SEPT 10-17§4 times on Sept11) TO \ OUR PHONE NUMBER(5887)as well aS TO YOUR PREVIOUS NUMBER. THE QUESTION IS:"D( ) YOU HAVE A PHONE LOG ETC. WHICH WOULD SHOW THAT NONE OF THOSE CALLS WERE MADE TO YOU, OR THAT THEY HAD NOTHING TO DO WITH THE CONTRA AID BUSINESS" . I PUT HIM OFF FOR NOW, BUT WOULD APPRECIATE YOUR GUIDANCE ON WHAT YOU WANT ME TO SAY.

cc: NSFH --CPUA NSPBT --CPUA

~~SECRET~~

EXHIBIT
OLN-139

Date and time 10/28/86 13:57:06

From: NSRKS --CPUA
To: NSRLE --CPUA

*** Reply to note of 10/28/86 12:53
NOTE FROM: Ron Sable
Subject: CALLS
Have talked to Hanley and will provide HPSCI the following"TO our knowledge,(and his) LTC north has never received any of the calls referred to.(from safe houses) [redacted]

6May88

NSPBT --CPUA

cc: NSOLN --CPUA

~~SECRET~~

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(284)

Exhibit OLN-140

[illegible]

THE WHITE HOUSE
WASHINGTON

IV

400246 —

40[redacted]2007 —

400453 —

400215 * cover —

401214 *

402003 — 19 Jan
YEDIOT
AHRONOT
DT

Declassified/Released on 7 May 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

UNCLASSIFIED

550

EXHIBIT
OLN-140

EXHIBIT OLN-141

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N 16346 A

EXHIBIT
OLN-141

THE WHITE HOUSE
WASHINGTON

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400215 * cover.

401214 *

✓ 402003 YEDIOT AHRONOT 19 Jan P. 7

Declassified/Released on 7 May 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

NOV 21 1986

All Originals attached except 401214. According to computer, all cys of 401214 were destroyed. Please return these originals to me when you have finished.

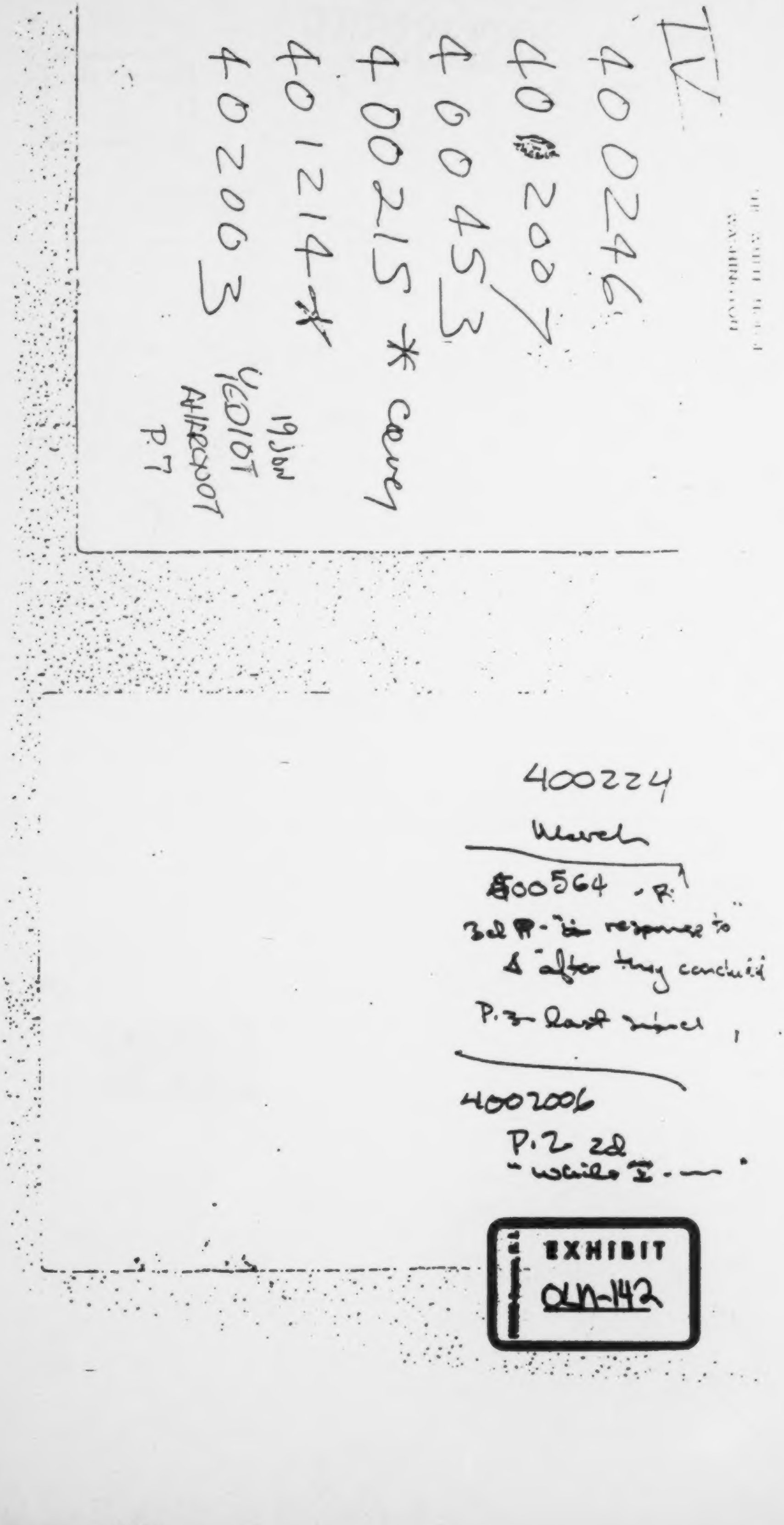
Brian

Given back to Ollie North
JB

NOV 25 1986 [redacted]

551

EXHIBIT OLN-142



THE WHITE HOUSE
WASHINGTON

IV
400246
40[illegible]2007
400453
400215 * Carey
401214 *
402003

19 JAN
YEDIOT
AHARONOT
P. 7

400224
Ulrich

400564 - R.
3d ¶ - "in response to"
& "after they conclud
P. 3 - last line

4002006
P. 2 2d
"while I - —"

EXHIBIT
OLN-142

EXHIBIT OLN-143

#70 X

7635

UNCLASSIFIED

MEMORANDUM

NATIONAL SECURITY COUNCIL

SYSTEM IV
NSC/ICS-402003
Re-do

February 6, 1985

N 6917

~~TOP SECRET~~

ACTION

Partially Declassified/Released on 5 May 1987
under provisions of E.O. 12356
by ?. ?, National Security Council

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: Nicaraguan Arms Shipments

The Nicaraguan merchant ship, MONIMBO, is now in port at Taichung, Taiwan, where it is unloading cargo. It is estimated for departure on tomorrow, February 7, enroute to Shikama, Japan, for main engine repairs. [redacted]

At this point, there appear to be three options:

-- The shipment could be seized and the weapons delivered to the FDN;

-- the ship could be sunk; or

-- the shipment and the [redacted] parties involved therein could be made public as a means of preventing the delivery.

~~TOP SECRET~~
Declassify: OADR

TOP SECRET

EXHIBIT
OLN-143

SD. FBI
12-12

UNCLASSIFIED

~~TOP SECRET~~

N 6918

[redacted] There is no apparent armed security detail aboard the MONIMBO, despite the sensitive nature of her cargo.

If asked, Calero would be willing to finance the operation. He does not, however, have sufficient numbers of trained maritime special operations personnel ~~or a~~ method of delivery for seizing the ship on the high seas. [redacted]

If such an operation were undertaken, it would be best to seize the vessel as it cleared the East China Sea enroute to Nicaragua's Pacific port at Corinto. Arrangements would have to be made for removal of the cargo for further transfer to the FDN, since it is unlikely that any of the other Central American states would allow MONIMBO to enter their harbors once she had been pirated.

If time does not permit a special operation to be launched, Calero can quickly be provided with the maritime assets required to sink the vessel before it can reach port at Corinto. He is in contact with maritime operations experts and purveyors of materiel necessary to conduct such an operation.

RECOMMENDATION

That you authorize Calero to be provided with the information on MONIMBO and approached on the matter of seizing or sinking the ship.

Approve ____ Disapprove ____

We need to take action to make sure ship does not arrive in Nicaragua.

P

~~TOP SECRET~~

TOP SECRET

ROUTING

To	Name and Address	Date	Initials
1	Robert McFarlane		
2			
3			
4			
5			
6			

XX	ACTION		FILE
	APPROVAL		INFORMATION
	COMMENT		PREPARE REPLY
	CONCURRENCE		RECOMMENDATION
	DIRECT REPLY		RETURN
	DISPATCH		SIGNATURE

REMARKS:

cc: Oliver North (#2 and 3)
Jim Radzimski (#4)

~~TOP SECRET~~

N 6919

UNCLASSIFIED

NSC/ICS CONTROL NO. 402003

COPY NO. 1 OF 4

HANDLE VIA SYSTEM IV CHANNEL ONL

NSC INTELLIGENCE DOCUMENT

Partially Declassified/Released on 5 May 1
under provisions of E.O. 12356
by [illegible] Reger, National Security Council

Warning Notice
Intelligence Sources and Methods Involved

NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

TOP SECRET

UNCLASSIFIED

UNCLASSIFIED

National Security Council
The White House

System # ______

Package # ______

N 6920

	SEQUENCE TO	HAS SEEN	DISPOSIT
Paul Thompson			
Bob Kimmitt			
John Poindexter	1		
Tom Shull			
Wilma Hall			
Bud McFarlane	2	has seen	
Bob Kimmitt			
NSC Secretariat			
Situation Room			
JP	3		

I = Information A = Action R = Retain D = Dispatch N = No further

cc: VP Meese Baker Deaver Other ______

COMMENTS C Should be seen by: ______
(Date/Time)

UNCLASSIFIED

UNCLASSIFIED

THE WHITE HOUSE
WASHINGTON

Bud, 2/7

N 6921

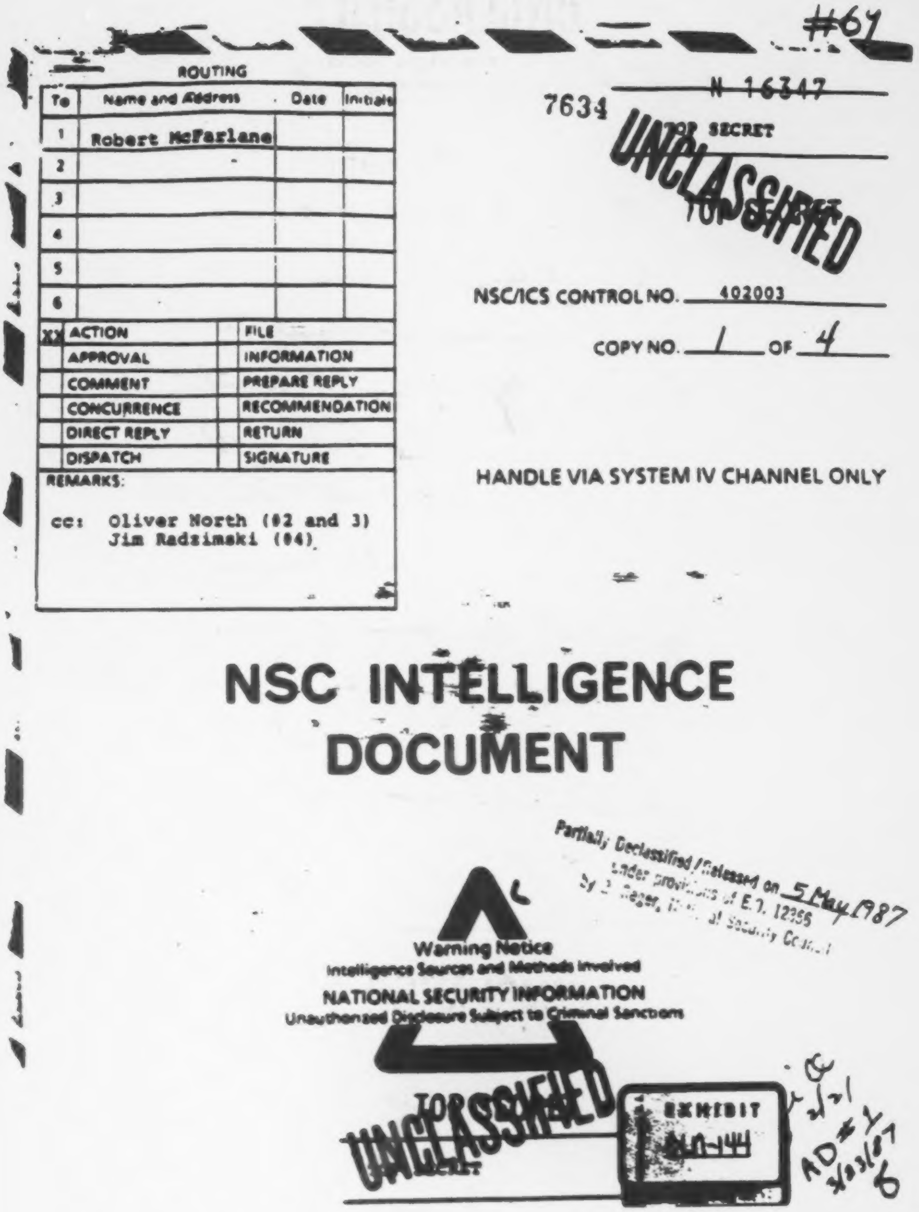
~~B~~ Except for the prohibition of the intelligence community doing anything to assist the Freedom Fighters I would readily recommend I bring this up at CPPG at 2:00 today.

Of course we could discuss it from the standpoint of keeping the arms moving from Honduras without any involvement of Calero and Freedom Fighters.

What do you think? JP

UNCLASSIFIED

EXHIBIT OLN-144



#64

ROUTING

To	Name and Address	Date	Initials
1	Robert McFarlane		
2			
3			
4			
5			
6			

XX	ACTION	FILE
	APPROVAL	INFORMATION
	COMMENT	PREPARE REPLY
	CONCURRENCE	RECOMMENDATION
	DIRECT REPLY	RETURN
	DISPATCH	SIGNATURE

REMARKS:

cc: Oliver North (#2 and 3)
Jim Radzimski (#4)

7634 ~~N 16347~~

TOP SECRET

UNCLASSIFIED

TOP SECRET

NSC/ICS CONTROL NO. 402003

COPY NO. 1 OF 4

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NSC INTELLIGENCE DOCUMENT

Partially Declassified/Released on 5 May 1987
Under provisions of E.O. 12356
by B. Reger, National Security Council

Warning Notice
Intelligence Sources and Methods Involved
NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

TOP SECRET

UNCLASSIFIED

EXHIBIT
OLN-144

AD # 7
3/03/87

National Security Council
The White House

UNCLASSIFIED

N 16348

System # ____________

Package # ____________

	SEQUENCE TO	HAS SEEN	DISPOSITION
Paul Thompson			
Bob Kimmitt			
John Poindexter	1		
Tom Shull			
Wilma Hall			
Bud McFarlane	2	has seen	
Bob Kimmitt			
NSC Secretariat			
Situation Room			
JP	3		

ormation A = A [redacted]

cc: VP Meese Baker Deav O

COMMENTS

UNCLASSIFIED

[redacted]

UNCLASSIFIED
NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

N 16349
SYSTEM IV
NSC/ICS-402003
Re-do

February 6, 1985

~~TOP SECRET~~

Partially Declassified/Released on 5 May 1987
under provisions of E.O. 12356
by [illegible] Tager, National Security Council

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: Nicaraguan Arms Shipments

The Nicaraguan merchant ship, MONIMBO, is now in port at Taichung, Taiwan, where it is unloading cargo. It is estimated for departure on tomorrow, February 7, enroute to Shikama, Japan, for main engine repairs. [redacted]

[redacted]

[redacted] It would ~~be helpful~~ to have it declassified so that we can have it placed ~~in overseas~~ news media.

RECOMMENDATION

Approve ✓ Disapprove ____

~~TOP SECRET~~
Declassify: OADR

UNCLASSIFIED

394

EXHIBIT OLN-145

7623 #71 X

ROUTING

To	Name and Address	Date	Initials
1	Robert McFarlane		
2			
3			
4			
5			
6			

XX	ACTION		FILE
	APPROVAL		INFORMATION
	COMMENT		PREPARE REPLY
	CONCURRENCE		RECOMMENDATION
	DIRECT REPLY		RETURN
	DISPATCH		SIGNATURE

REMARKS

cc: Oliver North (#2 and 3)
James Radzimski (#4)

UNCLASSIFIED

N 7182

NSC/ICS CONTROL NO. 400215

COPY NO. ______ OF ______

HANDLE VIA SYSTEM IV CHANNEL ONLY

EXHIBIT
OLN-145

NSC INTELLIGENCE DOCUMENT

Partially Declassified/Released on 5 May 1987
under provisions of E.O. 12356
by [illegible], National Security Council

Warning Notice
Intelligence Sources and Methods Involved
NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

UNCLASSIFIED

BKD/FBI
12.[illegible].86
NS 130

N 7183

National Security Council
The White House

UNCLASSIFIED

System # ______
Package # ______

1621

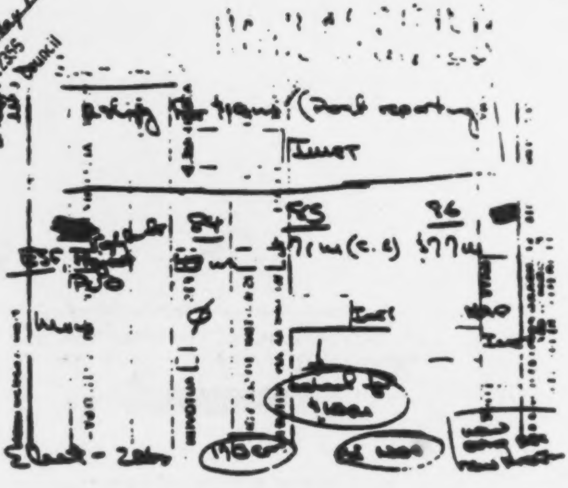
	SEQUENCE TO	HAS SEEN	DISPOSIT
Bob Pearson	1		
Bob Kimmitt	2	K	
John Poindexter			
Paul Thompson			
Wilma Hall	3		
Bud McFarlane	4	M	A
Bob Kimmitt			
NSC Secretariat			
Situation Room			

I = Information A = Action R = Retain D = Dispatch N = No further

cc: VP Meese Regan Deaver Other ______

COMMENTS Should be seen by: ______
(Date/Time)

Partially Declassified/Released on 5 May 1987 under provisions of E.O. 12356 by ? Reger, National Security Council



[redacted]

[redacted]

MEMORANDUM

UNCLASSIFIED ~~TOP SECRET~~

NATIONAL SECURITY COUNCIL

SYSTEM IV
NSC/ICS-400215

N 7

March 5, 1985

~~TOP SECRET~~

Partially Declassified/Released on 5 May 1987
under provisions of E.O. 12356
by National Security Council

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: Aid to the Nicaraguan Resistance

Attached at Tab I is a memo from you to Secretaries Shultz and
Weinberger, Director Casey, and General Vessey asking for their
views on increased U.S. assistance Your memo is
cast as suggestion which derives from trip to the region.

The real purpose of your memo is to find a way by which we can
the extraordinary assistance they
compensate the
are providing to the Nicaraguan freedom fighters. At Tab II are
provided for the
end-user certificates which the
munitions to be delivered to the
purchase of nearly $8M worth of
FDN. These nine documents are a direct copsequence of the
and your
informal liaison we have established. The ammunition and weapons
meeting with he and
documents will be delivered in several
identified in these
shipments (2 by aircraft and 1 by sea) starting on or about
be
March 10, 1985. All shipments will be delivered
, and turned over to
receipted for [redacted]
on
FDN representatives at.
arrival. Adolfo is convinced, and I agree, that
have not removed or withheld any equipment/munitions from the FDN
deliveries which have occurred to date.

in which the
During one of the meetings
process above was arranged, one of
presented a "wish list" of items which they desperately need in
order to prosecute their war against the Cuban-supported
guerrillas. A copy of the list is attached at Tab III. Each of
the items identified are in priority within four principal
categories: Aircraft, Ground Forces Equipment, Weapons and
Munitions, and Non-Tactical Military Equipment.

~~TOP SECRET~~
~~Declassify: OADR~~

~~TOP SECRET~~

UNCLASSIFIED

UNCLASSIFIED

Your memo at Tab I does not refer to the arrangements which have been made for supporting the resistance through [redacted] It does, however, urge that we take steps now to improve their situation. Once we have approval for at least some of what they have asked for, we can ensure that the right people in [redacted] understand that we are able to provide results from their cooperation on the resistance issue.

RECOMMENDATION

That you sign and transmit the memo at Tab I.

Approve ✓ Disapprove ____

Attachments
- Tab I - McFarlane Memo to Shultz/Weinberger/Casey/Vessey
- Tab II - [redacted] End-User Certificates
- Tab III - [redacted] Military Equipment Requirements

N 7186

"This Pg Blank"

UNCLASSIFIED

SYSTEM IV
NSC/ICS-400215

THE WHITE HOUSE

WASHINGTON

~~SECRET~~

March 11, 1985

N 7187
SENSITIVE

MEMORANDUM FOR THE HONORABLE GEORGE P. SHULTZ
The Secretary of State

THE HONORABLE CASPAR W. WEINBERGER
The Secretary of Defense

THE HONORABLE WILLIAM J. CASEY
The Director of Central Intelligence

GENERAL JOHN W. VESSEY, JR.
The Chairman, Joint Chiefs of Staff

SUBJECT: Assisting [redacted] Progress toward Democracy (C)

During my brief stop in [redacted] [redacted] made a convincing case for their commitment to democracy. They also noted their critical need for relatively small amounts of security assistance, economic aid, and support for their struggling agricultural sector. (C)

In recent weeks, there appears to have been an increase in guerrilla attacks and subversion. It is entirely likely that we will see more polarizing activity of this kind as the [redacted] elections approach. Unless the Army has adequate support, certain elements [redacted] may use the guerrilla action as a reason to defer elections or to justify counter-productive, repressive measures. Unfortunately, the Congress only provided [redacted] in FY-85 IMET funds from the Administration's [redacted] security assistance request. While the FY-86 request for [redacted] in security assistance provides hope for the future, It would seem that we need to look for ways in which we can help [redacted] between now and their elections. (S)

It is, therefore, requested that State take the lead in developing imaginative alternatives [redacted] can be provided with assistance to improve their security situation. We should consider [redacted] as well as activities by other U.S. agencies which could have a positive effect on internal security conditions. [redacted]

Our goal in all of this should be to provide all possible assistance to [redacted] progress toward democracy. (S)

Robert C. McFarlane
Robert C. McFarlane

Partially Declassified/Released on 5 May 1987
under provisions of E.O. 12356
by [illegible] Reger, National Security Council

~~SECRET~~
~~Declassify: OADR~~

~~SECRET~~

SENSITIVE

N 7188

"This Pg. Prints"

[redacted]

UNCLASSIFIED
N 7189

S/r.

CERTIFICACION DE DESTINO FINAL

[redacted] 14 de febrero de 1,985.

Señores:
ENERGY RESOURCES INTERNATIONAL
440 Maple Ave. East
Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL por DIEZ MIL (10,000) rifles automáticos, los cuales serán destinados para uso exclusivo del Ejército de [redacted] y no serán reexportados ni vendidos a otro país, siendo [redacted] el destino final.

Sin otro particular, aprovecho la oportunidad para suscribirme atentamente.

[redacted]

N 7190

UNCLASSIFIED

CERTIFICACION DE DESTINO FINAL

14 de febrero de 1,985.

Señores:
ENERGY RESOURCES INTERNATIONAL
440 Maple Ave. East
Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL por DIEZ MIL (10,000) libras de explosivo (HE) - C4 o TNT y UN MIL QUINIENTOS (1,500) detonadores variados, los cuales serán destinados para uso exclusivo del Ejército de [redacted] y no serán reexportados ni vendidos a otro país, siendo [redacted] el destino final.

Sin otro particular, aprovecho la oportunidad para suscribirme atentamente.

UNCLASSIFIED

[redacted]

UNCLASSIFIED N 7191

CERTIFICACION DE DESTINO FINAL

14 de febrero de 1,985.

S. Sres:
ENERGY RESOURCES INTERNATIONAL
440 Maple Ave. East
Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL del material que a continuación se detalla, el cual será destinado para uso exclusivo del Ejército de y no será reexportado ni vendido a otro país, siendo el destino final:

A. 150 ametralladoras
B. 150 morteros de 60mm. -completos-.
C. 100 morteros de 81mm. -completos-.
D. 150 lanzagranadas M-79
E. -30 fusiles sin retroceso de 57mm.

Sin otro particular, aprovecho la oportunidad para suscribirme atentamente.

UNCLASSIFIED

[redacted]

N 7192

CERTIFICACION DE DESTINO FINAL

, 14 de febrero de 1,985.

Señores:
ENERGY RESOURCES INTERNATIONAL
440 Maple Ave. East
Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL del material que a continuación se detalla, el cual será -- destinado para uso exclusivo del Ejército de y no será reexportado ni vendido a otro país, siendo -- el destino final:

A. 10,000 granadas M-79.
B. 3,000 granadas de 60mm.
C. 2,000 granadas de 81mm.

Sin otro particular, aprovecho la oportunidad para suscribirme atentamente.

UNCLASSIFIED

[redacted]

[illegible] N 7193

CERTIFICACION DE DESTINO FINAL

[redacted] 14 de febrero de 1,985.

Señores:
ENERGY RESOURCES INTERNATINAL
440 Maple Ave. East
Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL del material que a continuación se detalla, el cual será destinado para uso exclusivo del Ejército de [redacted], y no será reexportado ni vendido a otro país, siendo [redacted] el destino final:

A. 3,000 granadas RPG-7.
B. --100 lanzagranadas RPG-7.

Sin otro particular, aprovecho la oportunidad para suscribirme atentamente.

UNCLASSIFIED

[redacted]

UNCLASSIFIED N 719.

CERTIFICACION DE DESTINO FINAL

14 de febrero de 1,985.

Señores:
ENERGY RESOURCES INTERNATIONAL
440 Maple Ave. East
Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL por DOS MIL (2,000) minas anti-personales y UN MIL (1,000) minas anti-tanque, las cuales serán destinadas para uso exclusivo del Ejército de y no serán reexportadas - ni vendidas a otro país, siendo el destino final.

Sin otro particular, aprovecho la oportunidad para suscribirme atentamente.

UNCLASSIFIED

[redacted]

N 7195

CERTIFICACION DE DESTINO FINAL:

14 de febrero de 1,985.

Señores:
ENERGY RESOURCES INTERNATIONAL
440 Maple Ave. East
Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL por TRES MIL (3,000) LAW ROCKETS, que vienen destinados para uso exalusivo del Ejército de y no serán reexportados ni vendidos a otro país, siendo el destino final.

Sin otro particular, aprovecho la oportunidad para suscribirme atentamente.

UNCLASSIFIED

[redacted]

UNCLASSIFIED

N 7196

CERTIFICACION DE DESTINO FINAL

14 de febrero de 1,985.

Señores:
ENERGY RESOURCES INTERNATIONAL
440 Maple Ave. East
Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL por DIEZ (10) lanzacohetes tierra-aire y CINCUENTA (50) misiles tierra-aire, los cuales vienen destinados para uso exclusivo del Ejército de .y no serán reexportados ni vendidos a otro país, siendo el destino final.

Sin otro particular, aprovecho la oportunidad para suscribirme atentamente.

UNCLASSIFIED

[redacted] [redacted]

N 719

s/r.——

CERTIFICACION DE DESTINO FINAL

14 de febrero de 1985.

Señores ENERGY RESOURCES INTERNATIONAL
440 Maple Ave. East
Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL por CINCO MILLONES (5.000,000) de cartuchos Ball Ammo, calibre 7.62mm., los cuales serán destinados para uso exclusivo del Ejército de y no serán reexportados ni vendidos a otro país, siendo el destino final.

Sin otro particular, aprovecho la oportunidad para suscribirme de ustedes atentamente.

UNCLASSIFIED

N 7198

"This Pg. Prints"

[redacted]

MILITARY EQUIPMENT REQUIREMENTS

N 719

The following military equipment and services have been identified as the highest priority [redacted] Army in combatting the Communist guerrillas. They are listed in sequence of highest to lowest need within each category.

Aircraft:

-- New or refurbished helicopters and spare parts for existing inventory.

-- Spare parts for fixed wing cargo aircraft.

-- New or refurbished ground attack aircraft and spare parts for existing inventory.

-- New trainer aircraft and related spare parts.

Ground Forces Equipment:

-- Communications equipment, including secure voice systems.

-- Various vehicles for troop and logistical transport.

-- Engineering equipment, including bulldozers, road-graders, and survey instruments.

Weapons and Munitions:

-- Light and medium weapons, including M-16 rifles, M-60 machine guns, pistols (9mm and .45 caliber), 81mm and 60mm mortars, and 90mm recoilless rifles.

-- Ground force munitions, including mortar, recoilless rifle, and artillery rounds, assorted mines and explosives, and 7.62 x 51 linked ammunition, plus hand grenades.

-- Aerial munitions, including 200 and 500 pound bombs and 2.75 inch rockets with appropriate warhead mixes.

Additional Non-Tactical Supplies and Equipment:

-- Field hospital equipment, general medical supplies, and training for paramedics.

-- Tactical radars for use in detecting border infiltration.

[illegible] 5 May 1997

UNCLASSIFIED

EXHIBIT OLN-146

ROUTING

To	Name and Address	Date	Initial
1	Robert-McFarlane		
2			
3			
4			
5			
6			

XX	ACTION	FILE
	APPROVAL	INFORMATION
	COMMENT	PREPARE REPLY
	CONCURRENCE	RECOMMENDATION
	DIRECT REPLY	RETURN
	DISPATCH	SIGNATURE

REMARKS:

cc: Oliver North (#2 and 3)
James Radzimski (#4)

UNCLASSIFIED

#65

7629

~~TOP SECRET~~

N 16350

NSC/ICS CONTROL NO. 400215

COPY NO. 1 OF 4

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NSC INTELLIGENCE DOCUMENT

Partially Declassified[illegible] on 5 May 1987
under provis[illegible] E.O. 12356
by [illegible] Reger, [illegible] Security Council

Warning Notice
Intelligence Sources and Methods Involved
NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

UNCLASSIFIED

file
3!''

#2
3/03/8

EXHIBIT
OLN-146

UNCLASSIFIED

N 16351

National Security Council
The White House

System # IV
Package # 400215

1621

	SEQUENCE TO	HAS SEEN	DISPOSITION
Bob Pearson	1	✓	
Bob Kimmitt	2	K	
John Poindexter			
Paul Thompson			
Wilma Hall	3		
Bud McFarlane	4	M	A
Bob Kimmitt			
NSC Secretariat	5		D
Situation Room			

I = Information [✓ A = Action] R = Retain D = Dispatch N = No Further Action

cc: VP Meese Regan Deaver Other

COMMENTS Should be seen by:
(Date/Time)

UNCLASSIFIED

[redacted]

UNCLASSIFIED

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

SYSTEM IV
NSC/ICS-400215

N 16352

March 5, 1985

~~TOP SECRET~~

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: Aid to the Nicaraguan Resistance

Attached at Tab I is a memo from you to Secretaries Shultz and Weinberger, Director Casey, and General Vessey asking for their views on increased U.S. assistance to . Your memo is cast as suggestion which derives from trip to the region.

Your memo at Tab I urges that we take steps now to improve the situation in

RECOMMENDATION

That you sign and transmit the memo at Tab I.

Approve ✓ Disapprove ____

Attachments
Tab I - McFarlane Memo to Shultz/Weinberger/Casey/Vessey
Tab II - End-User Certificates
Tab III - [redacted] Military Equipment Requirements

[redacted]

Partially Declassified/Released on 5 May 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

~~TOP SECRET~~
Declassify: OADR

UNCLASSIFIED

UNCLASSIFIED

THE WHITE HOUSE

WASHINGTON

SYSTEM IV
NSC/ICS-400215

N 16353
SENSITIVE

~~SECRET~~

March 11, 1985

MEMORANDUM FOR THE HONORABLE GEORGE P. SHULTZ
The Secretary of State

THE HONORABLE CASPAR W. WEINBERGER
The Secretary of Defense

THE HONORABLE WILLIAM J. CASEY
The Director of Central Intelligence

GENERAL JOHN W. VESSEY, JR.
The Chairman, Joint Chiefs of Staff

SUBJECT: Assisting Progress toward Democracy (C)

During my brief stop in [redacted] made a convincing case for their commitment to democracy. They also noted their critical need for relatively small amounts of security assistance, economic aid, and support for their struggling agricultural sector. (C)

In recent weeks, there appears to have been an increase in guerrilla attacks and subversion. It is entirely likely that we will see more polarizing activity of this kind as the elections approach. Unless the Army has adequate support, certain elements may use the guerrilla action as a reason to defer elections or to justify counter-productive, repressive measures. Unfortunately, the Congress only provided in FY-85 IMET funds from the Administration's security assistance request. While the FY-86 request for in security assistance provides hope for the future, it would seem that we need to look for ways in which we can help between now and their elections. (S)

It is, therefore, requested that State take the lead in developing imaginative alternatives can be provided with assistance to improve their security situation. We should [redacted] as well as acti other U.S. agencies which could have a positive effect on internal security conditions.

Our goal in all of this should be to provide all possible assistance to progress toward democracy. (S)

Robert C. McFarlane

Robert C. McFarlane

Partially Declassified/Released on 5 May 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

~~SECRET~~
Declassify: OADR

UNCLASSIFIED

SENSITIVE

N 16354

"Thos B. Prints"

[redacted]

UNCLASSIFIED

N 16355

[redacted]

CERTIFICACION DE DESTINO FINAL

14 de febrero de 1,985.

Señores:
ENERGY RESOURCES INTERNATIONAL
440 Maple Ave. East
Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL por DIEZ MIL (10,000) rifles automáticos, los cuales serán destinados para uso exclusivo del Ejército de y no serán reexportados ni vendidos a otro país, siendo

el destino final.

Sin otro particular, aprovecho la oportunidad para suscribirme atentamente.

[redacted]

[redacted]

[redacted]

UNCLASSIFIED
N° 16356

CERTIFICACION DE DESTINO FINAL

[redacted], 14 de febrero de 1,985.

Señores:
ENERGY RESOURCES INTERNATIONAL
440 Maple Ave. East
Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL por DIEZ MIL (10,000) libras de explosivo (HE) - C4 o TNT y UN MIL QUINIENTOS (1,500) detonadores variados, los cuales serán destinados para uso exclusivo del Ejército de [redacted] y no serán reexportados ni vendidos a otro país, siendo [redacted] el destino final.

Sin otro particular, aprovecho la oportunidad para suscribirme atentamente.

[redacted]

UNCLASSIFIED

[redacted]

UNCLASSIFIED

[redacted]

CERTIFICACION DE DESTINO FINAL

14 de febrero de 1,985.

Señores:
ENERGY RESOURCES INTERNATIONAL
440 Maple Ave. East
Viena, Va., 22180.

Señores:

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A. 150 ametralladoras
B. 150 morteros de 60mm. -completos-.
C. 100 morteros de 81mm. -completos-.
D. 150 lanzagranadas M-79
E. -30 fusiles sin retroceso de 57mm.

Sin otro particular, aprovecho la oportunidad para suscribirnos atentamente.

[redacted]

UNCLASSIFIED

[redacted]

N 16358

UNCLASSIFIED

[redacted]

CERTIFICACION DE DESTINO FINAL

14 de febrero de 1,985.

Señores:
ENERGY RESOURCES INTERNATIONAL
440 Maple Ave. East
Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL del material que a continuación se detalla, el cual será -- destinado para uso exclusivo del Ejército de y no será reexportado ni vendido a otro país, siendo el destino final:

A. 10,000 granadas M-79.
B. -3,000 granadas de 60mm.
C. -2,000 granadas de 81mm.

Sin otro particular, aprovecho la oportunidad para suscribirme atentamente.

[redacted]

UNCLASSIFIED

[redacted]

UNCLASSIFIED

N 16359

[redacted]

CERTIFICACION DE DESTINO FINAL

14 de febrero de 1,985.

Señores:
ENERGY RESOURCES INTERNATIONAL
440 Maple Ave. East
Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL del material que a continuación se detalla, el cual será destinado para uso exclusivo del Ejército de y no será reexportado ni vendido a otro país, siendo el destino final:

A. 3,000 granadas RPG-7.
B. —100 lanzagranadas RPG-7.

Sin otro particular, aprovecho la oportunidad para suscribirme atentamente.

[redacted]

UNCLASSIFIED

[redacted]

[redacted]

N 16360

UNCLASSIFIED

CERTIFICACION DE DESTINO FINAL

14 de febrero de 1,985.

Señores:
ENERGY RESOURCES INTERNATIONAL
440 Maple Ave. East
Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL por DOS MIL (2,000) minas anti-personales y UN MIL (1,000) minas anti-tanque, las cuales serán destinadas para uso exclusivo del Ejército de y no serán reexportadas - ni vendidas a otro país, siendo el destino final.

Sin otro particular, aprovecho la oportunidad para suscribirme atentamente.

[redacted]

UNCLASSIFIED

[redacted]

N 16361

UNCLASSIFIED

[redacted]

CERTIFICACION DE DESTINO FINAL:

[redacted] 14 de febrero de 1,985.

Señores:
ENERGY RESOURCES INTERNATIONAL
440 Maple Ave. East
Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL por TRES MIL (3,000) LAW ROCKETS, que vienen destinados para uso exclusivo del Ejército de [redacted] y no serán reexportados ni vendidos a otro país, siendo [redacted] el destino final.

Sin otro particular, aprovecho la oportunidad para suscribirme atentamente.

[redacted]

UNCLASSIFIED

[redacted]

UNCLASSIFIED

N 16362

[redacted]

CERTIFICACION DE DESTINO FINAL

14 de febrero de 1,985.

Señores:
ENERGY RESOURCES INTERNATIONAL
440 Maple Ave. East
Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL por DIEZ (10) lanzacohetes tierra-aire y CINCUENTA (50) misiles tierra-aire, los cuales vienen destinados para uso exclusivo del Ejército de y no serán reexportados ni -- vendidos a otro país, siendo el destino final.

Sin otro particular, aprovecho la oportunidad para suscribirme atentamente.

[redacted]

UNCLASSIFIED

[redacted]

UNCLASSIFIED

N 16363

[redacted]

CERTIFICACION DE DESTINO FINAL

, 14 de febrero de 1985.

Señores ENERGY RESOURCES INTERNATIONAL
440 Maple Ave. East
Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL por CINCO MILLONES (5.000,000) de cartuchos Ball Ammo, calibre 7.62mm., los cuales serán destinados para uso exclusivo del Ejército de y no serán reexportados ni vendidos a otro país, siendo el destino final.

Sin otro particular, aprovecho la oportunidad para suscribirme de ustedes atentamente.

[redacted]

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N 16364

"This Pg. Prints"

[redacted]

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N 16365

[redacted] MILITARY EQUIPMENT REQUIREMENTS

The following military equipment and services have been identified as the highest priority Army in combatting the Communist guerrillas. They are listed in sequence of highest to lowest need within each category.

Aircraft:

-- New or refurbished helicopters and spare parts for existing inventory.

-- Spare parts for fixed wing cargo aircraft.

-- New or refurbished ground attack aircraft and spare parts for existing inventory.

-- New trainer aircraft and related spare parts.

Ground Forces Equipment:

-- Communications equipment, including secure voice systems.

-- Various vehicles for troop and logistical transport.

-- Engineering equipment, including bulldozers, road-graders, and survey instruments.

Weapons and Munitions:

-- Light and medium weapons, including M-16 rifles, M-60 machine guns, pistols (9mm and .45 caliber), 81mm and 60mm mortars, and 90mm recoilless rifles.

-- Ground force munitions, including mortar, recoilless rifle, and artillery rounds, assorted mines and explosives, and 7.62 x 51 linked ammunition, plus hand grenades.

-- Aerial munitions, including 200 and 500 pound bombs and 2.75 inch rockets with appropriate warhead mixes.

Additional Non-Tactical Supplies and Equipment:

-- Field hospital equipment, general medical supplies, and training for paramedics.

-- Tactical radars for use in detecting border infiltration.

UNCLASSIFIED

EXHIBIT OLN-147

7627

ROUTING

To	Name and Address	Date	Initials
1	Robert McFarlane		
2			
3			
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XX	ACTION		FILE
	APPROVAL		INFORMATION
	COMMENT		PREPARE REPLY
	CONCURRENCE		RECOMMENDATION
	DIRECT REPLY		RETURN
	DISPATCH		SIGNATURE

REMARKS:

cc: Oliver North (#2 and 3)
Jim Radzimski (#4)

#63

N 10611

TOP [illegible] SENSIT

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TOP SECRET

NSC/ICS CONTROL NO. 400246

COPY NO. 2 OF 4

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EXHIBIT
OLN-147

NSC INTELLIGENCE DOCUMENT

Warning Notice
Intelligence Sources and Methods Involved
NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

Partially Declassified/Released on 5 May 1987
under provisions of E.O. 12356
By [illegible] Reger, National Security Council

EYES

UNCLASSIFIED

TOP [illegible] SENSITIVE

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UNCLASSIFIED

MEMORANDUM

NATIONAL SECURITY COUNCIL

SYSTEM IV
NSC/ICS-400246
N 10612

March 16, 1985

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SENSITIVE

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: Fallback Plan for the Nicaraguan Resistance

The plan attached at Tab I has been developed, pursuant to our discussion on Friday regarding fallback options. It is premised on the assumption of a major Congressional budget battle and an assessment that the Congress will not rescind the restrictions in Section 8066 of the FY-85 C.R. (Tab A). Should you determine in your meeting with Senators Durenburger and Lugar (Tuesday, March 19, 0730) that the Congress will not endorse a resumption of USG support to the resistance, the plan at Tab I provides a workable alternative.

Secrecy for the plan is paramount. We could not implement such an option if it became known in advance and it also mandates that present donors continue their relationship with the resistance beyond the current funding figure. The plan would require the President to make a major public pronouncement which, in turn, must be supported by other Administration officials, resistance leaders, and regional Heads of State once it has been announced.

RECOMMENDATION

That, if Durenburger and Lugar indicate an unwillingess to support resumption of USG aid to the resistance, you discuss the attached plan with Secretary Shultz following your meeting.

Approve _____ Disapprove _____

Attachments
Tab I - Fallback Option Plan
Tab A - Section 8066 of the FY-8[illegible].

~~TOP SECRET~~
Declassify: OADR

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by Reger, National Security Council

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N 10613

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~~[illegible]~~ **SENSITIVE**

N 10614

FALLBACK OPTION PLAN FOR THE NICARAGUAN RESISTANCE

Assumptions. The Congress is unwilling to support release of $14M in USG funds for the purpose of supporting, directly or indirectly, military or paramilitary operations in Nicaraguan. The FY-86 budget is seriously jeopardized by Congressional action and will require a major effort on the part of the President immediately after the MX vote through mid-July. There will be insufficient time or assets available to organize the kind of Administration-wide effort required to achieve an affirmative vote in both Houses on the Nicaraguan resistance program.

Section 8066 of the law (Tab A) expires on October 1, 1985. There are currently $28M requested in the FY-86 intelligence budget for the purpose of supporting paramilitary operations by the Nicaraguan resistance. The current funding relationship which exists between the resistance and its donors is sufficient to purchase arms and munitions between now and October--if additional monies are provided for non-military supplies (e.g., food, clothing, medical items, etc.). The current donors will have to be convinced of the need to continue their funding for munitions after October 1, 1985. A commitment for another $25-30M from the donors will be necessary for munitions in 1986 in anticipation that the $28M requested in the intelligence budget is not approved.

Concept. In lieu of forwarding the report to the Congress required by Section 8066 of PL 98-473, the President would announce on or about April 2 that the American people should contribute funds ("...send your check or money order to the Nicaraguan Freedom Fighters, Box 1776, Gettysburg, PA...") to support liberty and democracy in the Americas. He would note that the monies raised would be used to support the humanitarian needs of those struggling for freedom against Communist tyranny in Central America. By necessity, the speech must be dramatic and a surprise. It cannot be leaked in advance.

Prior to the speech, the following steps must be taken:

-- Calero, Cruz, and Robelo (the principle leadership of the Nicaraguan armed and unarmed resistance) must be covertly advised of this plan and must assure of their support.

-- The Nicaraguan Freedom Fund, Inc., a 501(c)3 tax exempt corporation, must be established and obtain a Post Office Box 1776 in Gettysburg, Philadelphia, Valley Forge, or Yorktown. (This process is already underway.)

~~[illegible]~~ **SENSITIVE**

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by C. Reger, National Security Council

UNCLASSIFIED

N 10615

-- Presidents Suazo, Monge, and Duarte (and the appropriate leadership of each of those countries) must be apprised of this plan 1-2 days in advance of the announcement. They must be prepared to fully support the President's proclamation.

-- The current donors must be apprised of the plan and agree to provide additional $25-30M to the resistance for the purchase of arms and munitions.

-- Public groups and political action committees already mobilized for the Congressional campaign to relieve the 8066 constraints will have to be mobilized for the new approach (advertising, posters, mailings, phonecalls, etc.) several hours before the President speaks.

-- Assuming a Presidential speech on or about April 2 at 8:00 p.m., a briefing for senior Administration officials should be held at 7:00 p.m. that day in Room 450 OEOB to ensure that public commentary after the speech by these official is supportive of this proclamation

Additional Requirements.

-- Informal contact several months ago with a lawyer sympathetic to our cause indicated that such a procedure would be within the limits of the law. Fred Fielding should be asked to do conduct a very private evaluation of the President's role in making such a request.

-- The name of one of several existing non-profit foundations, we have established in the course of the last year, will be changed to Nicaraguan Freedom Fund, Inc. Several reliable American citizens must be contacted to serve as its corporate leadership on its board of directors along with Cruz, Calero, and Robelo

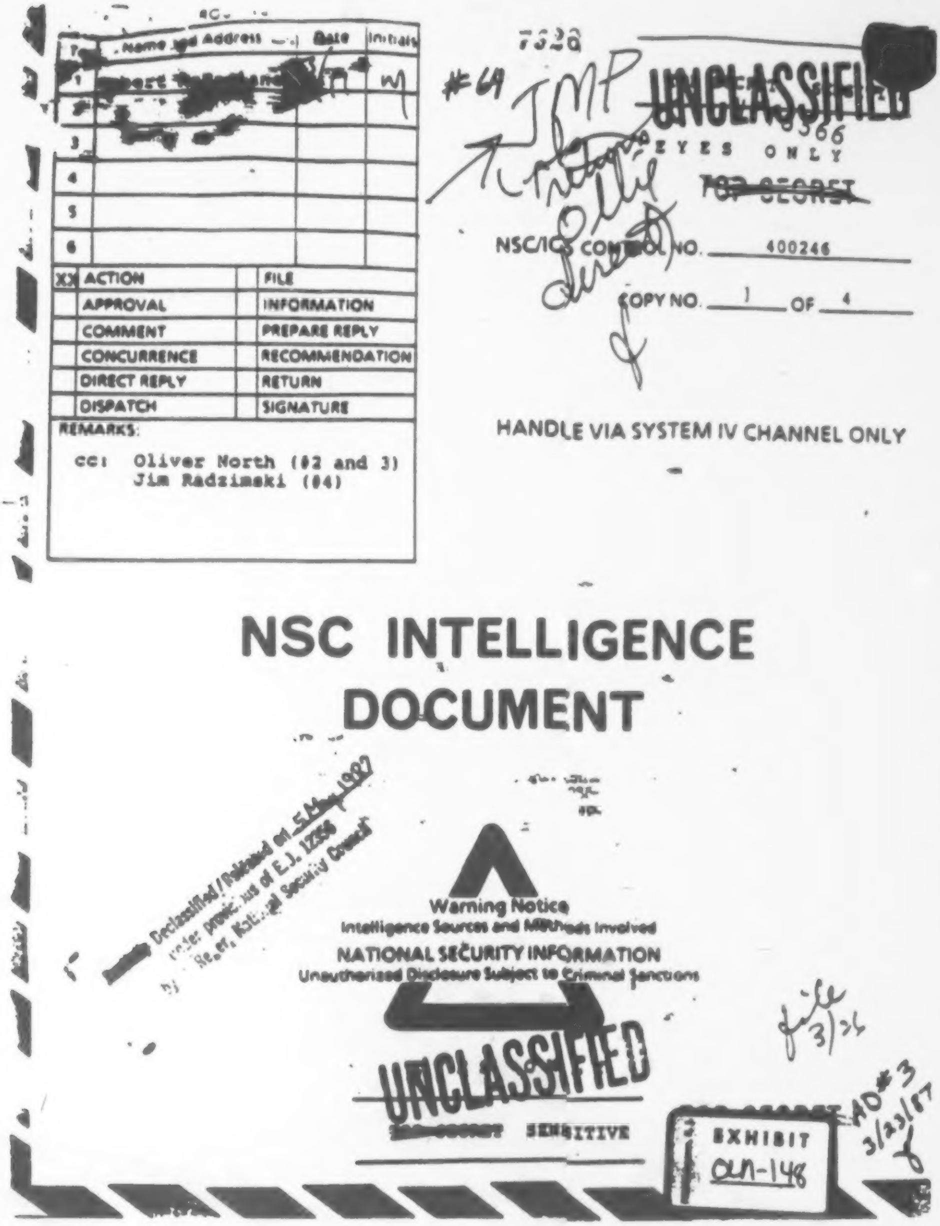
-- Calero, Cruz, and Robelo will support support such an option if properly approached. They should then be photographed with the President on the day of his announcement and prepared to appear on U.S. and other media supporting the President's program.

-- You will have to make a quick (one day) trip to the region, preferably the day before announcement in order to brief Heads of State and regional leaders. For obvious reasons, this must be a very secret trip.

-- The President's speech must be prepared in total secrecy much the same as Ben Elliott worked on the Grenada announcements.

UNCLASSIFIED

Exhibit OLN-148



	Name and Address	Date	Initials
1	[redacted]		m
2	[redacted]		
3	[redacted]		
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XX	ACTION		FILE
	APPROVAL		INFORMATION
	COMMENT		PREPARE REPLY
	CONCURRENCE		RECOMMENDATION
	DIRECT REPLY		RETURN
	DISPATCH		SIGNATURE

REMARKS:

cc: Oliver North (#2 and 3)
Jim Radzimski (#4)

7328

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[illegible] Ollie Direct

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EYES ONLY

~~TOP SECRET~~

NSC/ICS CONTROL NO. 400246

COPY NO. 1 OF 4

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by [illegible] Reger, National Security Council

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file 3/26

EXHIBIT
OLN-148

AD#3
3/23/87

N 16367

UNCLASSIFIED

NATIONAL SECURITY COUNCIL

March 25, 1985
1915

JIM:

I xeroxed copies for ON from these originals.

I am returning them to you for the file.

Thanks!

FAWN

EYES ONLY

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UNCLASSIFIED

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

SYSTEM IV
NSC/ICS-400246

March 16, 1985

N 16368

~~TOP SECRET~~

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: Fallback Plan for the Nicaraguan Resistance

Congress is apparently reluctant to rescind the restrictions in Section 8066 of the FY-85 C.R. (Tab A). Should you determine in your meeting with Senators Durenburger and Lugar (Tuesday, March 19, 0730) that the Congress will not endorse a resumption of USG support to the resistance, we will need to develop a fallback plan for getting on with support for the resistance. The best fallback we have is to stress that, while President Reagan is unwilling to use U.S. troops in Nicaragua, all available intelligence supports the realization that we will have to in the 1990's, if there is not a democratic outcome now.

RECOMMENDATION

That, if Durenburger and Lugar indicate an unwillingness to support voting on USG aid to the resistance again this spring, you ask them for fallback options.

Approve ✓ Disapprove ____

Attachment
Tab A - Section 8066 of the FY-85 C.R.

[redacted] Declassified/Released on 5 May A87
under [illegible]
[illegible] Reger, [illegible]

~~TOP SECRET~~
Declassify: OADR

UNCLASSIFIED

N 16369

"This Pg. Prints"

H. J. Res. 648

P.L. 98-473

N 16370

Ninety-eighth Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the twenty-third day of January,
one thousand nine hundred and eighty-four*

Joint Resolution

Making continuing appropriations for the fiscal year 1985, and for other purposes.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

That the following sums are hereby appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units of the Government for the fiscal year 1985, and for other purposes, namely:

SEC. 101. (a) Such sums as may be necessary for programs, projects, or activities provided for in the Agriculture, Rural Development and Related Agencies Appropriation Act, 1985 (H.R. 5743), to the extent and in the manner provided for in the conference report and joint explanatory statement of the Committee of Conference (House Report Numbered 98-1071), filed in the House of Representatives on September 25, 1984, as if such Act had been enacted into law.

(b) Such sums as may be necessary for programs, projects, or activities provided for in the District of Columbia Appropriation Act, 1985 (H.R. 5899), to the extent and in the manner provided for in the conference report and joint explanatory statement of the Committee of Conference (House Report Numbered 98-1088), filed in the House of Representatives on September 26, 1984, as if such Act had been enacted into law.

(c) Such amounts as may be necessary for programs, projects or activities provided for in the Department of the Interior and Related Agencies Appropriations Act, 1985, at a rate of operations and to the extent and in the manner provided as follows, to be effective as if it had been enacted into law as the regular appropriation Act:

N 16371

Army Reserve, Army National Guard or Air National Guard occupied by, or programed to be occupied by, persons in an active Guard or Reserve status: *Provided further*, ~~That none of the funds appropriated by this Act may be used to include (civilian) military technicians in computing civilian personnel ceilings, including statutory or administratively imposed ceilings, on activities in support of the Army Reserve, Air Force Reserve, Army National Guard or Air National Guard.~~

~~SEC. 8064. (a) The provisions of section 138(c)(2) of title 10, United States Code, shall not apply with respect to fiscal year 1985 or with respect to the appropriation of funds for that year.~~

~~(b) During fiscal year 1985, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal year shall not be subject to any constraint or limitation (known as an end-strength) on the number of such personnel who may be employed on the last day of such fiscal year.~~

~~(c) The fiscal year 1986 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 1986 Department of Defense budget request shall be prepared and submitted to the Congress as if sections (a) and (b) of this provision were effective with regard to fiscal year 1986.~~

~~(TRANSFER OF FUNDS)~~

~~SEC. 8065. Appropriations or funds available to the Department of Defense during the current fiscal year may be transferred to appropriations provided in this Act for research, development, test, and evaluation to the extent necessary to meet increased pay costs authorized by or pursuant to law, to be merged with and to be available for the same purposes, and the same time period, as the appropriation to which transferred.~~

SEC. 8066. (a) During fiscal year 1985, no funds available to the Central Intelligence Agency, the Department of Defense, or any other agency or entity of the United States involved in intelligence activities may be obligated or expended for the purpose or which would have the effect of supporting, directly or indirectly, military or paramilitary operations in Nicaragua by any nation, group, organization, movement, or individual.

(b) The prohibition concerning Nicaragua contained in subsection (a) shall cease to apply if, after February 28, 1985—

(1) the President submits to Congress a report—

(A) stating that the Government of Nicaragua is providing material or monetary support to anti-government forces engaged in military or paramilitary operations in El Salvador or other Central American countries;

(B) analyzing the military significance of such support;

(C) stating that the President has determined that assistance for military or paramilitary operations prohibited by subsection (a) is necessary;

(D) justifying the amount and type of such assistance and describing its objectives; and

(E) explaining the goals of United States policy for the Central American region and how the proposed assistance would further such goals, including the achievement of peace and security in Central America through a comprehensive, verifiable and enforceable agreement based upon the Contadora Document of Objectives; and

(2) a joint resolution approving assistance for military or paramilitary operations in Nicaragua is enacted.

16372

(c)(1) For the purpose of subsection (b)(2), "joint resolution" means only a joint resolution introduced after the date on which the report of the President under subsection (b)(1) is received by Congress, the matter after the resolving clause of which is as follows: "That the Congress approves the obligation and expenditure of funds available for fiscal year 1985 for supporting, directly or indirectly, military or paramilitary operations in Nicaragua.".

(2) The report described in subsection (b)(1) shall be referred to the appropriate committee or committees of the House of Representatives and to the appropriate committee or committees of the Senate.

(3) A resolution described in paragraph (1) introduced in the House of Representatives shall be referred to the Committee on Appropriations of the House of Representatives. A resolution described in paragraph (1) introduced in the Senate shall be referred to the Committee on Appropriations of the Senate. Such a resolution may not be reported before the eighth day after its introduction.

(4) If the committee to which is referred a resolution described in paragraph (1) has not reported such resolution (or an identical resolution) at the end of fifteen calendar days after its introduction, such committee shall be discharged from further consideration of such resolution and such resolution shall be placed on the appropriate calendar of the House involved.

(5)(A) When the committee to which a resolution is referred has reported, or has been deemed to be discharged (under paragraph (4)) from further consideration of, a resolution described in paragraph (1), notwithstanding any rule or precedent of the Senate, including Rule 22, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution, and all points of order against the resolution (and against consideration of the resolution) are waived. The motion is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the resolution shall remain the unfinished business of the respective House until disposed of.

(B) Debate on the resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than ten hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is in order and not debatable. An amendment to, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the resolution is not in order. A motion to reconsider the vote by which the resolution is agreed to or disagreed to is not in order.

(C) Immediately following the conclusion of the debate on a resolution described in paragraph (1), and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final passage of the resolution shall occur.

EXHIBIT OLN-149

#61
7633
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ROUTING

To	Name and Address	Date	Initials
1	Robert McFarlane		
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xx	ACTION		FILE
	APPROVAL		INFORMATION
	COMMENT		PREPARE REPLY
	CONCURRENCE		RECOMMENDATION
	DIRECT REPLY		RETURN
	DISPATCH		SIGNATURE

REMARKS

cc: Oliver North (#2 and [✓ 3])
Jim Radzimski (#4)

N 1059

[redacted]

[redacted]

~~TOP SECRET~~

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COPY NO 3 OF 4

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OLN-149

NSC INTELLIGENCE DOCUMENT

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by C. Wells, National Security Council

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UNCLASSIFIED

MEMORANDUM

NATIONAL SECURITY COUNCIL

SYSTEM IV
NSC/ISC-40[illegible]

N 10592

Partially Declassified/Released on 5 May '87 under provisions of E.O. 12356 by [redacted] National Security Council

April 11, 1985

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: FDN Military Operations

Attached at Tab A is a summary analysis of how the FDN has expended funds which have been made available since USG funding expired in May 1984. From July 1984 through February 1985, the FDN received $1M per month for a total of $8M. From February 22 to April 9, 1985, an additional $16.5M has been received for a grand total of $24.5M Of this, $17,145,594 has been expended for arms, munitions, combat operations, and support activities:

- -- most expenditures have been for purchases of arms, ammunition, and other ordnance items;
- -- the $2.5M indicated for upkeep of base camps on the borders includes costs of approximately $350K per month (an expense which will increase as the number of recruits continues to grow) and $50K for the operation conducted in Managua against the ammunition de, at the EPS military headquarters;
- -- the funding has allowed the growth of the resistance from 9,500 personnel in June 1984 to over 16,000 today--all with arms;
- -- when the May 1985 sealift arrives ($5M has already been deposited for this delivery), an additional 6,000 fighters can be equipped and fielded after a 3 week training period;
- -- the relocation of base camps along border has been ordered for mid to late April 1985 in order to disperse the target for a Sandinista attack (cost for this relocation have not yet been fully quantified);
- -- the acquisition of two small transport aircraft at the cost of $186K is prudent given the increased patrolling activity by the EPS along border, thus complicating trail-borne resupply for columns operating deep inside Nicaragua.

Declassify: OADR

UNCLASSIFIED

UNCLASSIFIED N 10593

Summary of Operations to Date

The FDN has grown nearly twofold since the cut-off of USG funding. In this period, they have reoriented from conventional to guerrilla warfare tactics. Despite the lack of any internal staff organization (G-1, G-2, G-3, G-4) when the USG withdrew, the FDN has responded well to guidance on how to build a staff. Although there was a basic lack of familiarity with how to conduct guerrilla-type operations, since July, all FDN commanders have been schooled in these techniques and all new recruits are now initiated in guerrilla warfare tactics before being committed to combat. In short, the FDN has well used the funds provided and has become an effective guerrilla army in less than a year.

Future Operations

Plans call for remaining resources ($7,354,000) to be used as follows:

-- increasing the force to a total of 25,000 by mid-Summer;

-- a major special operations attack against Sandino airport with the purpose of destroying the MI-24 helicopters and the Sandinista Air Force maintenance capability;

-- a major ground operation against the mines complex in the vicinity of Siuna, Bonanza, and La Rosita (Nicaragua)--the purpose of the operation is to secure the principal lines of communication in and out of Puerto Cabezas; and

-- the opening of a southern front along the [redacted] border which will distract EPS units currently committed to the northern front.

It is apparent that the $7M remaining will be insufficient to allow the resistance to advance beyond these limited objectives, unless there is a commitment for additional funds. The $14M which the USG may be able to provide will help to defray base camp, training, and support expenses but will not significantly affect combat operations until early Autumn due to lead-time requirements. Efforts should, therefore, be made to seek additional funds from the current donors ($15-20M) which will allow the force to grow to 30-35,000. If a commitment for these funds is made between now and June 1985, supplies could be ordered in July, allowing the force to reach these levels by the end of October 1985.

RECOMMENDATION

That the current donors be approached to provide $15-20M additional between now and June 1, 1985.

Approve _____ Disapprove _____

Attachment
Tab A - Summary Analysis of FDN Expenditures

N 10595

"This Pg. Prints"

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N 10596

As of April 9, 1985

FDN Expenditures and Outlays

July 1984 through February 1985

Quantity	Item	Cost
Independent Acquisition		
	G-3 rifles	[redacted]
	Magazines	[redacted]
	Rounds 7.62 x 51	[redacted]
	Rounds 7.62 x 51	[redacted]
	Hand grenades	[redacted]
Airlift #1 - February 1985		
	81mm grenades	$
	60mm grenades	
	50 cal API	
	Rounds 7.62 x 39	
	Rounds 7.62 x 51	
Freight, Demurrage, Ins., etc.		
Airlift #2 - March 1985		
750,000	Rounds 7.62 x 39	$ 210,000
1,000	RPG-7 grenades	265,000
8,910	Hand grenades	84,645
60	60mm mortars	96,000
1,472 Kgs	C-4	47,104-
[redacted]	Fuses and detonators	
[redacted]	G-3 rifles	
[redacted]	G-3 magazines	
	Cleaning kits	
	60mm grenades	
	50 cal links	
Freight, Demurrage, Ins., etc.		
Sealift #1 - April Arrival		
	RPG-7 rockets	$
	Rounds 7.62 x 39	
	Rounds 7.62 x 51	
	Belts for 7.62 x 39	
	SA-7 launchers	
	SA-7 rockets	
	M-79 grenades	
Freight, Ins., and other exp		
	M-79 grenades	

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by D. Reger, National Security Council

UNCLASSIFIED

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FDN Expenditures and Outlays
July 1984 through February 1985 (Cont'd...)

Quantity	Item	Cost
Sealift #2 - May Arrival		
	Rounds 7.62 x 39	
	Rounds 7.62 x 51	
	Rounds linked 7.62 x 51	
	Hand grenades	
	M-79 grenades	
	60mm grenades	
	81mm grenades	
	82mm grenades	
	RPG-7 rockets	
	Claymore mines	
	50 cal API	
	12.7 ammo	
	57mm recoilless rifles	
	57mm ammo	
	Anti-tank mines	
	G-3 rifles	
	G-3 cleaning kits	
	AK rifles	
	G-3 magazines	
	AK magazines	
	Swedish K magazines	
	HK-21 machine guns	
	RPG-7 launchers	
	M-79 launchers	
	9mm pistols	
	AK-39 links or belts	
[redacted]	C-4	
	Fuses and detonators	
Deposit paid		
Estimated cost		
Miscellaneous Expenses Since July 1984		
	Uniforms	
	Boots	
	Radio and comm equip	
	Air and ground transp	
	Military gear	
	Aid to southern front	
	Aid to Misuras	
	Food, family asst, upkeep of base camps, air force hospitals, etc.	
	Political activity - offices in various countries and cities, travel, p.r.	
	Acquisition two transp airplanes	

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#68

7630

ROUTING

	Name and Address	Date	Initials
1	Robert McFarlane		
2			
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6			

XX	ACTION		FILE
	APPROVAL		INFORMATION
	COMMENT		PREPARE REPLY
	CONCURRENCE		RECOMMENDATION
	DIRECT REPLY		RETURN
	DISPATCH		SIGNATURE

REMARKS:

cc: Oliver North (#2 and 3)
Jim Radzimski (#4)

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NSC/ICS CONTROL NO. N40206 16374

COPY NO. ______ OF ______

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Partially Declassified/Released on 5 May 1997
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by [illegible] Reger, National Security Council

Warning Notice
Intelligence Sources and Methods Involved
NATIONAL SECURITY INFORMATION
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Note: last page is missing & therefore not reviewed

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OLN-150

#4
3/23/87

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

SYSTEM IV
NSC/ICS-402007

April 11, 1985

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ACTION

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under provisions of E.O. 12356
by B. Reger, National Security Council

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: FDN Military Operations

N 16375

Attached at Tab A is a summary analysis of how the FDN has expended funds available to them since USG funding expired in May 1984. According to information they have given us, from July 1984 through February 1985, they spent $1M per month for a total of $8M. From February 22 to April 9, 1985, additional $16.5M has been received for a grand total of $24.5M. Of this, $17,145,594 has been expended for arms, ammunition, combat operations, and support activities.

-- Most expenditures have been for purchases of arms, ammunition, and other ordnance items.

-- The $2.5M indicated for upkeep of base camps on the borders includes costs of approximately $350K per month (an expense which will increase as the number of recruits continues to grow) and $50K for the operation conducted in Managua against the ammunition depot at the EPS military headquarters.

-- The resistance has grown from 9,500 personnel in June 1984 to over 16,000 today.

-- An additional 6,000 fighters are undergoing a 3 week training period.

-- The relocation of base camps along border has been ordered for mid to late April 1985 in order to disperse the target for a Sandinista attack.

-- The acquisition of two small transport aircraft at the reported cost of $186K will help ameliorate increased patrolling activity by the EPS along border. This patrol activity has complicated trail-borne resupply for columns operating deep inside Nicaragua, thus necessitating aircraft resupply.

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~~TOP SECRET~~
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SENSITIVE

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TOP SECRET

Summary of Operations to Date

The FDN has grown nearly twofold since the cut-off of USG funding. In this period, they have reoriented from conventional to guerrilla warfare tactics. Despite the lack of any internal staff organization (G-1, G-2, G-3, G-4) when the USG withdrew, the FDN has responded well to guidance on how to build a staff. Although there was a basic lack of familiarity with how to conduct guerrilla-type oprations, since July, all FDN commanders have been schooled in these techniques and all new recruits are now initiated in guerrilla warfare tactics before being committed to combat. In short, the FDN has well used the funds provided and has become an effective guerrilla army in less than a year. The listing of combat operations at Tab B [redacted] is indicative of what the FDN has been able to accomplish with funds already made available. It is important to note that, although funds started to flow in July, purchases made possible by this funding did not arrive in FDN hands until October 1984.

6375

Future Operations

Plans call for remaining resources on hand ($7,354,000) to be used as follows:

-- increasing the force to a total of 2,500 by mid-summer;

-- a major special operations attack against Sandino airport with the purpose of destroying the MI-24 helicopters and the Sandinista Air Force maintenance capability;

-- a major ground operation against the mines complex in the vicinity of Siuna, Bonanza, and La Rosita (Nicaragua) -- the purpose of the operation is to secure the principal lines of communication in and out of Puerto Cabezas; and

-- the opening of a southern front along the [redacted] border which will distract EPS units currently committed to the northern front.

It is apparent that the $7M remaining on hand will be insufficient to allow the resistance to advance beyond these limited objectives, unless there is a commitment for additional funds. The $14M, which the USG may be able to provide, will help to defray base camp, training, and support expenses but will not significantly affect combat operations until several months after Congressional approval due to lead-time requirements. Efforts

UNCLASSIFIED

must be made to obtain Congressional approval for the $14M supplemental to the program. If this effort fails, we should undertake a major Congressional push for next year in the $75-100M range -- that is, obtain Congressional approval for a program sufficiently robust to achieve a democratic outcome.

RECOMMENDATION

That you brief the President on the current situation and urge concerted action on immediate Congressional approval of a $14M CIA supplemental and $75-100M for next fiscal year.

Approve ✓ Disapprove ____

Attachments
  Tab A - Summary of Analysis of FDN Expenditures (From FDN Sources)
  Tab B - Summary of Combat Operations: Oct 1984 - Mar 1985

EXHIBIT OLN-151

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7631 #67

SYSTEM IV
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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

May 1, 1985

N 16331

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by J. Reger, National Security Council

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: FDN Military Operations

Attached at Tab A is a summary analysis of how the FDN has expended funds available to them since USG funding expired in May 1984. According to information they have given us, from July 1984 through February 1985, they spent $1M per month for a total of $8M. From February 22 to April 9, 1985, additional $16.5M has been received for a grand total of $24.5M. Of this, $17, 145,594 has been expended for arms, ammunition, combat operations, and support activities.

-- Most expenditures have been for purchases of arms, ammunition, and other ordnance items.

-- The $2.5M indicated for upkeep of base camps on the borders include costs of approximately $350K per month (an expense which will increase as the number of recruits continues to grow) and $50K for the operation conducted in Managua against the ammunition depot at the EPS military headquarters.

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-- An additional 6,000 fighters are undergoing a 3 week training period.

-- The relocation of base camps along border has been ordered for mid to late April 1985 in order to disperse the target for a Sandinista attack.

-- The acquisition of two small transport aircraft at the reported cost of $186K will help ameliorate increased patrolling activity by the EPS along border. This patrol activity has complicated trail-borne resupply for columns operating deep inside Nicaragua, thus necessitating aircraft resupply.

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Declassify: OADR

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~~TOP SECRET~~

EXHIBIT
OLN-151

SENSITIVE

Summary of Operations to Date

The FDN has grown nearly twofold since the cut-off of USG funding. In this period, they have reoriented from conventional to guerrilla warfare tactics. Despite the lack of any internal staff organization (G-1, G-2, G-3, G-4) when the USG withdrew, the FDN has responded well to guidance on how to build a staff. Although there was a basic lack of familiarity with how to conduct guerrilla-type oprations, since July, all FDN commanders have been schooled in these techniques and all new recruits are now initiated in guerrilla warfare tactics before being committed to combat. In short, the FDN has well used the funds provided and has become an effective guerrilla army in less than a year. The listing of combat operations at Tab B ([redacted] is indicative of what the FDN has been able to accomplish with funds already made available. It is important to note that, although funds started to flow in July, purchases made possible by this funding did not arrive in FDN hands until October 1984.

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Plans call for remaining resources on hand ($7,354,000) to be used as follows:

-- increasing the force to a total of 2,500 by mid-summer;

-- a major special operations attack against Sandino airport with the purpose of destroying the MI-24 helicopters and the Sandinista Air Force maintenance capability;

-- a major ground operation against the mines complex in the vicinity of Siuna, Bonanza, and La Rosita (Nicaragua) -- the purpose of the operation is to secure the principal lines of communication in and out of Puerto Cabezas; and

-- the opening of a southern front along the [redacted] border which will distract EPS units currently committed to the northern front.

It is apparent that the $7M remaining on hand will be insufficient to allow the resistance to advance beyond these limited objectives, unless there is a commitment for additional funds. The $14M, which the USG may be able to provide, will help to defray base camp, training, and support expenses but will not significantly affect combat operations until several months after Congressional approval due to lead-time requirements. Efforts [redacted] UNCLASSIFIED N 16333

must be made to obtain Congressional approval for the $14M supplemental to the program. If this effort fails, we should undertake a major Congressional push for next year in the $75-100M range -- that is, obtain Congressional approval for a program sufficiently robust to achieve a democratic outcome.

RECOMMENDATION

That you brief the President on the current situation and urge concerted action on immediate Congressional approval of a $14M CIA supplemental and $75-100M for next fiscal year.

Approve ✓ Disapprove ____

Attachments
Tab A - Summary of Analysis of FDN Expenditures (From FDN Sources)
Tab B - Summary of Combat Operations: Oct 1984 - Mar 1985

[redacted]

N 16334

TAB

A

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As of April 9, 1985

N 16335

FDN Expenditures and Outlays

July 1984 through February 1985

Quantity	Item	Cost
Independent Acquisition		
	G-3 rifles	
	Magazines	
	Rounds 7.62 x 51	
	Rounds 7.62 x 51	
	Hand grenades	
Airlift #1 - February 1985		
	81mm grenades	[redacted]
	60mm grenades	
	50 cal API	
	Rounds 7.62 x 39	
	Rounds 7.62 x 51	
Freight, Demurrage, Ins., etc.		
Airlift #2 - March 1985		
750,000	Rounds 7.62 x 39	$ 210,000
1,000	RPG-7 grenades	265,000
8,910	Hand grenades	84,645
60	60mm mortars	96,000
1,472 Kgs	C-4	47,104
	Fuses and detonators	
	G-3 rifles	
	G-3 magazines	
	Cleaning kits	
	60mm grenades	
	50 cal links	
Freight, Demurrage, Ins., etc.		
Sealift #1 - April Arrival		
[redacted]	RPG-7 rockets	
	Rounds 7.62 x 39	
	Rounds 7.62 x 51	
	Belts for 7.62 x 39	
	SA-7 launchers	
	SA-7 rockets	
	M-79 grenades	
Freight, Ins., and other exp		
	M-79 grenades	

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under provisions of E.O. 12356
by ... Reger, National Security Council

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[redacted]

2 UNCLASSIFIED

FDN Expenditures and Outlays
July 1984 through February 1985 (Cont'd...)

N 16336

Quantity	Item	Cost
Sealift #2 - May Arrival		
	Rounds 7.62 x 39	
	Rounds 7.62 x 51	
	Rounds linked 7.62 x 51	
	Hand grenades	
	M-79 grenades	
	60mm grenades	
	81mm grenades	
	82mm grenades	
	RPG-7 rockets	
	Claymore mines	
	50 cal API	
	12.7 ammo	
	57mm recoiless rifles	
	57mm ammo	
	Anti-tank mines	
	G-3 rifles	
	G-3 cleaning kits	
	AK rifles	
	G-3 magazines	
	AK magazines	
	Swedish K magazines	
	HK-21 machine guns	
	RPG-7 launchers	
	M-79 launchers	
	9mm pistols	
	AK-39 links or belts	
	C-4	
	Fuses and detonators	
Deposit paid		
Estimated cost		
Miscellaneous Expenses Since July 1984		
	Uniforms	
[redacted]	Boots	
	Radio and comm equip	
	Air and ground transp	
	Military gear	
	Aid to southern front	
	Aid to Misuras	
	Food, family asst, upkeep of base camps, air force hospitals, etc.	
	Political activity - offices in various countries and cities, travel, p.r.	
	Acquisition two transp airplanes	

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N 16337

TAB

B

"The 9. Points"

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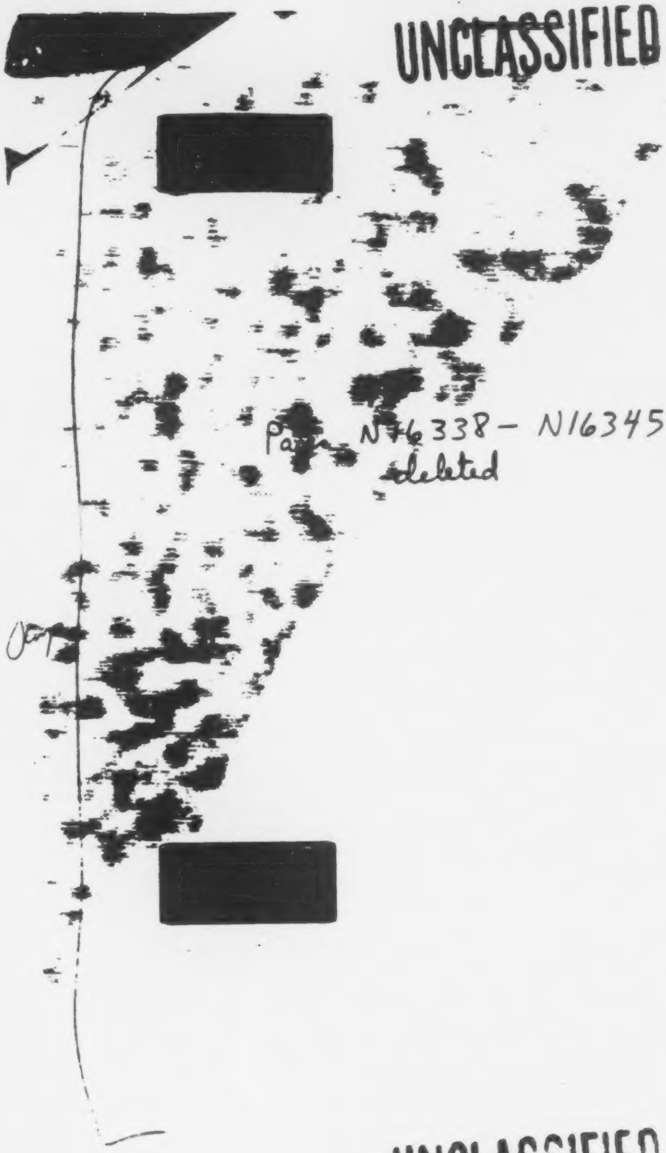
N 16338

[redacted]



Pages N16338 - N16345 deleted

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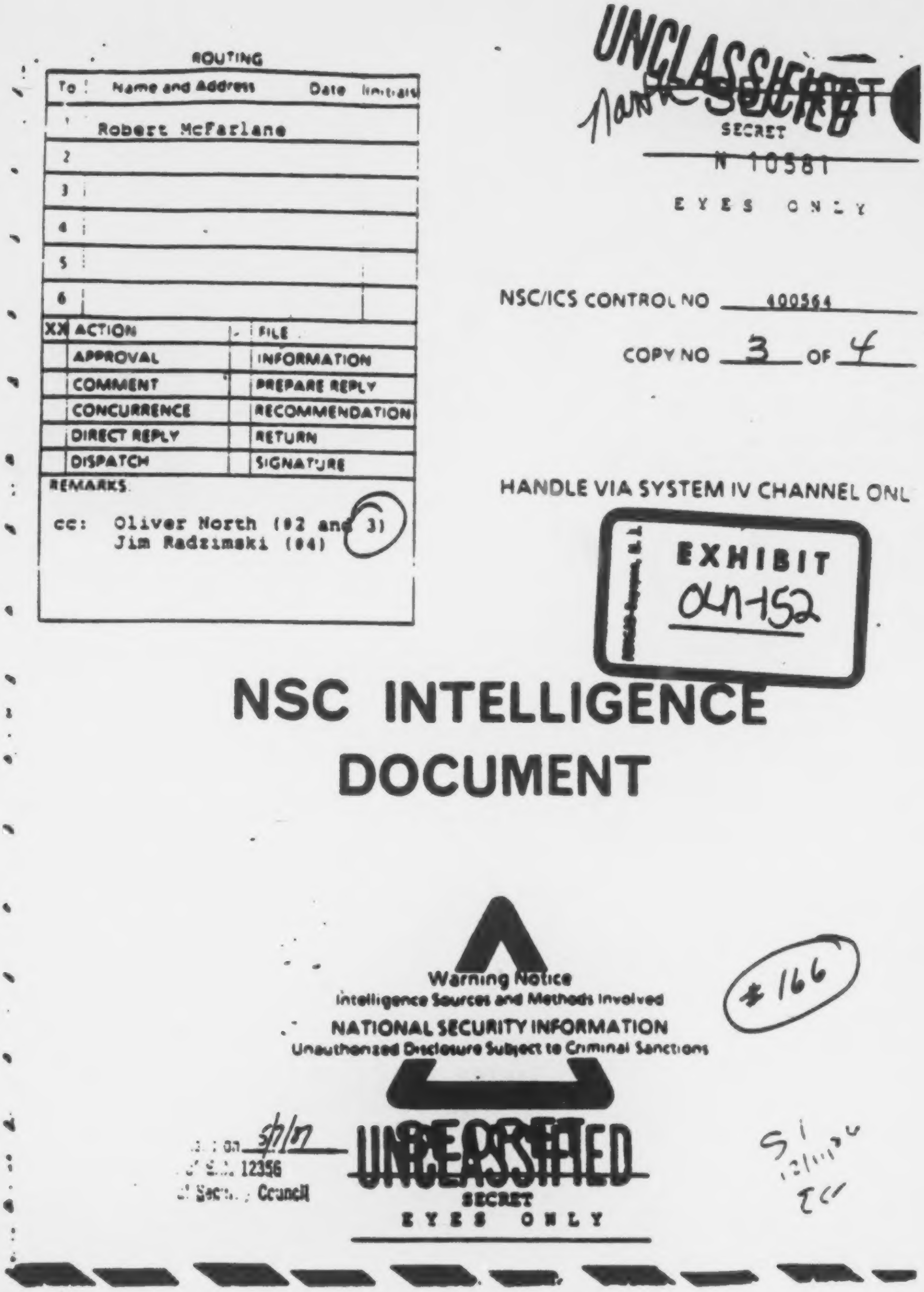
EXHIBIT OLN-152



ROUTING

To	Name and Address	Date	Initials
1	Robert McFarlane		
2			
3			
4			
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6			

XX	ACTION		FILE
	APPROVAL		INFORMATION
	COMMENT		PREPARE REPLY
	CONCURRENCE		RECOMMENDATION
	DIRECT REPLY		RETURN
	DISPATCH		SIGNATURE

REMARKS

cc: Oliver North (#2 and 3)
Jim Radzimski (#4)

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OLN-152

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Warning Notice
Intelligence Sources and Methods Involved
NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

#166

[illegible] on 5/7/87
[illegible] E.O. 12356
[illegible] Security Council

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SECRET

EYES ONLY

MEMORANDUM

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NATIONAL SECURITY COUNCIL

SYSTEM IV
NSC/ICS-400564

N 10582

May 31, 1985

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ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: The Nicaraguan Resistance: Near-Term Outlook

Summary

During the month of May, the Nicaraguan Resistance recorded significant advances in their struggle against the Sandinistas. Despite the adversity caused by the [redacted] closure of [redacted] there are today more combatants actively in the field than at any time in the last 12 months. Militarily, there was heavy action throughout Nicaragua and on all three fronts: north, south, and Atlantic.

Politically, the resistance leadership has advanced to the point where they are prepared to form an umbrella alliance with clearly established democratic objectives and civilian control over the military forces. During meetings this week and last in Washington and San Jose, the Ladino leaders (Calero, Cruz, and Robelo) agreed to Indian/Creole representation at the leadership level and the Indians themselves took important steps toward unifying the MISURA (Steadman Fagoth) and MISURASATA (Brooklyn Rivera) factions. After nearly two months of careful coordination with Rivera, he agreed on Saturday to break-off his discussions with the Sandinistas and announced the end of the Indian/FSLN dialogue from Bogota.

Military Operations

For the first time in the war, the FDN succeeding in interdicting the Rama-Managua road, launched simultaneous operations in the Boaco area less than 60km from Managua and inflicted heavy losses on Sandinsita troops in the vicinity of Siuna-Bonanza. These operations were conducted in response to guidance that the resistance must cut Sandinista supply lines and reduce the effectiveness of the Sandinista forces on the northern frontier. A new operations base at [redacted] inside Nicaragua, is being established and the FDN have purchased a bulldozer for [redacted]

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Declassify: OADR

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The [redacted] requirement to move the FDN's strategic command from [redacted] has now been met. Operations have resumed, albiet at reduced levels, from their new command post location--7km north of [redacted] Between May 12 and 22, over 2,000 troops reinfiltrated into Nicaragua. Approximately, 4,000 remain at [redacted] awaiting additional quartermaster equipment. Approximately 150-200 volunteers a week continue to arrive at these locations. If all continues on schedule, a $6.3M arms shipment will arrive Monday, June 3 for immediate distribution to the units awaiting weapons. Calero intends to launch a major offensive on June 2, the day after their ceasefire/dialogue expires. He has also ordered an additional $6M worth of weapons (including [redacted] AK-47's and [redacted] Belgian FAL rifles) which will allow the force to grow to 30,000.

The Miskito/Creole forces operating in the vicinity of Bluefields launched an attack against an EPS post guarding the access to the naval port. Their attack was confounded by one of Eden Pastora's units operating without coordination in the same area. During the two day engagement, it is reported that 25-30 Creole conscripts rebelled against their Sandinista officers and were executed. There are also reports that during the battle Sandinista airstrikes caused casualties among their own troops and their Cuban advisors. Efforts are underway to confirm this information and have it made available to the media.

[redacted]

Political Situation

Two weeks of intense dialogue with the resistance leadership has resulted in the preparation of a document on national democratic objectives and reconstruction. Calero, Cruz, Robelo, and their respective political directorates have concurred in the document and will publicly promulgate the declaration at a news conference tentatively scheduled to be held in San Salvador on June 10. The document establishes civilian primacy over a unified military organization, commits the unified resistance to a democratic process, promises a plebecite to elect a new government, and

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confirms their intention to invite an international peacekeeping force to supervise the disarmament of the military forces in Nicaragua once democracy has been achieved. Their statement also calls for a new constitution and the reconstruction of the country once the provisional government is installed.

A similar effort has been underway with both MISURA and MISURASATA in an effort to unify their two forces. [redacted] Brooklyn Rivera broke off his three month effort to achieve some degree of autonomy from the FSLN. In a series of meetings with Rivera and his representatives and subsequent meetings with Steadman Fagoth and his directorate, it was agreed that the Moravian Church would sponsor a mediation between the two groups starting on June 2, 1985. The Indians and Creoles have also been told that they will have a representative to the provisional government and Calero, Cruz, and Robelo have agreed. The letter at Tab B was provided during meetings with the Indians on Thursday. Although it contains dated information, it may be useful for you to provide it to the President.

In short, the political and military situation for the resistance now appears better than at any point in the last 12 months. Plans are underway to transition from current arrangements to a consultative capacity by the CIA for all political matters and intelligence, once Congressional approval is granted on lifting Section 8066 restrictions. The only portion of current activity which will be sustained as it has since last June, will be the delivery of lethal supplies.

RECOMMENDATION

That you brief the President on the above.

Approve _____ Disapprove _____

Attachments
Tab A - Photograph [redacted]
Tab B - Steadman Fagoth Muller ltr to the President of May 11, 1985

2 pages withdrawn
N10585 - N10586
Denied in full
JDC 5/6/87

[redacted]

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[redacted]

[redacted]

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[illegible]
[illegible]
[illegible]

N 10587

May 11, 1985

Mr. Ronald Reagan,
President of the
United States of America
Washington, D.C.

Dear Mr. President:

On behalf of the Indian communities of the East Coast of Nicaragua, and in particular MISURA (United Miskito, Sumo, and Rama Nations), which is an honor to command, I would like to extend our appreciation for your continued interest in our struggle for liberty, and for the generous reference to us in your speech in Bonn, Germany. "I am the Miskito Indian of Nicaragua", was a most eloquent form of moral support of our sacrifice, expressing in positive terms our vital participation in the redeeming of our country which is today, subject to the wishes and decisions of Soviet Communism.

The Indian resistance to the communist regime of Nicaragua, has caused savage repression by the Sandinista Government, which from it's inception has forced the exodus of our people, lead by Bishop Salvador Shaffer, to the Honduran Miskitia the unqualified and indiscriminate massacre of our people; the disappropriation and destruction of our property, and of the confinement of innocent people in subhuman condition in camps, reminicent of Nazi concentration camps.

Of 256 communities existing before 1979 with populations of approximately 175.000, there remain only 117. The others were destroyed by the FSLN, their inhabitants forced from the Atlantic Coast of Nicaragua, forced to abandon their natural habitat. 22,000 to Honduran Miskitia and 15, 000 resettled by the Sandinista gover ment, like prisoners into areas supervised by government troops to "avoid" annexati of the East Coast to the Freedom Fighters, as you so aptly refer to those of us who fight for liberty against the traitors of the Nicaraguan Revolution.

In spite of the need for economic resources it has not been difficult for MISURA to present a different perspective from that of the organization known as MISURASATA (sandinista unit of Miskito Sumo and Rama Nations, lead by Mr. Brooklyn Rivera, and directed by the sandinistas in order to have the Miskitos put aside the patriotic insurrection. Obviously MISURASATA and their traitorous campaign have ful support of the Sandinista Government and of Democrat and liberal senators, unfortun ately it is also back[redacted] religious organization working in Nicaragua.

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[illegible]
[illegible]

N 10588

-2-

In the face of this unfair situation MISURA is confronted by a dangerous despair, a lack of strength in the fighting which brings grave circumstances. Of 3800 combatants who have been trained military during 1982 and 1983, only 1800 are actually fighting in Nicaragua. The rest of that 3800 are to be found in refugee camps or in our native villages, barefoot and whithout equipment, awaiting orders.

The scarcity of economic resources has produced an alarming demoralizatio within our ranks. Demoralization when men see their brothers-in-arms die from the lack of antibiotics. Demoralization when men see their brothers-in-arm die from lack of outboard motor needed to transport wounded and sick to a zone where they can receive medical attention. And finally, Mr. President, demoralization when a soldier must go into battle armed with only one magazine of bullets because of the scarcity. This demoralization is accentuated upon seeing our soldiers without clot ing with which to cover themselves.

Since economic aid was suspended 14 months ago, MISURA has been funded as follows; as of September 1984 our ally the FDN (Nicaraguan Democrat Front) has provided our organization with $6,000.00 monthly, increasing to 12,000.00 in January, 1985. In December 1984 during an intense money raising campaign held in Miami, Fl $20,000.00 and 683 pairs of boots were collected. In February $10,000.00 plus 6 ou board motors were donated by the United States Council for World Freedom. These c titue all of the founds we have had at our disposal.

The economic needs plus the false campai [redacted] by th [redacted] sandinistas and Broc Rivera is putting vi [redacted] e pressure on many [redacted] the stru [redacted] which w only allow communism [redacted] develope leisur [redacted] the [redacted] of Nicaragua.

In th [redacted] this [redacted] situation [redacted] order [redacted] vision of liberty [redacted] of your [redacted] for our [redacted], representing MISURA, I have [redacted] to you to ask for economic support, means o transportation, medicine, etc. In other words a specific budget proportional to ou role in this historic, patriotic fight. As you have said, "Liberty gives results, in order to succeed it is necessary to win it, so that it may serve as the foundat and destiny of our people and develops naturally for the security of our continent

Mr. President, we are confident of your strong democratic characted which not allow you to abandon the fears fo my people, who want only to live with the pe that comes from justice and liberty, as Franklin D. Roosevelt said: It is a stren that withstands all attacks.

Sincerely,

Steadman Fagoth Muller
Military Leader of the Indian Movement "MISU

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[illegible]
[illegible]

N 10589

-3-

We the undersigned adhere ourselves with solidarity to the above text.

Wicliff Diego,
Political Coordinator.

Marjilio Ramon,
Cheif of the SUMOS

Teofilo Archibal,
Creole Cheif.

Alejo Teofilo
Alejo Teofilo,
Member Boad.

STM;df

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EXHIBIT OLN-153

To:	Name and Address	Date	Initials
1	Robert McFarlane		
2			
3			
4			
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6			

XX	ACTION		FILE
	APPROVAL		INFORMATION
	COMMENT		PREPARE REPLY
	CONCURRENCE		RECOMMENDATION
	DIRECT REPLY		RETURN
	DISPATCH		SIGNATURE

REMARKS:

cc: Oliver North (#2 and 3)
Jim Radzimski (#4)

TOP ~~SECRET~~ UNCLASSIFIED [redacted]

N CM 5/31 36

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1035

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NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

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by D. Reger, National Security Council

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EXHIBIT
OLN-153

NORTH, OLIVER BOX 21-1
5/3/87

MEMORANDUM

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NATIONAL SECURITY COUNCIL

SYSTEM IV
NSC/ICS-400564

May 31, 1985

N 41137

SECRET

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: The Nicaraguan Resistance: Near-Term Outlook

Summary

During the month of May, the Nicaraguan Resistance recorded significant advances in their struggle against the Sandinistas. Despite the adversity caused by the [redacted] closure of [redacted] there are today more combatants actively in the field than at any time in the last 12 months. Militarily, there was heavy action throughout Nicaragua and on all three fronts: north, south, and Atlantic.

Politically, the resistance leadership has advanced to the point where they are prepared to form an umbrella alliance with clearly established democratic objectives and civilian control over the military forces. During meetings this week and last in Washington and San Jose, the Ladino leders (Calero, Cruz, and Robelo) agreed to Indian/Creole representation at the leadership level and the Indians themselves took important steps toward unifying MISURA (Steadman Fagoth) and MISURASATA (Brooklyn Rivera) factions. After nearly two months of careful coordination with Rivera, he agreed on Saturday to break-off his discussions with the Sandinistas and announced the end of the Indian/FSLN dialogue with Bogota.

Military Operations

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Declassify: OADR

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N 41138

The [redacted] requirement to move the FDN's strategic command from [redacted] has now been met. Operations have resumed, albiet at reduced levels, from their new command post location--7km north of Las Vegas. Between May 12 and 22, over 2,000 troops reinfiltrated into Nicaragua. Approximately, 4,000 remain at [redacted] awaiting additional quartermaster equipment. Approximately 150-200 volunteers a week continue to arrive at these locations. If all continues on schedule, a $6.3M arms shipment will arrive Monday, June 3 for immediate distribution to the units awaiting weapons. Calero intends to launch a major offensive on June 2, the day after their ceasefire/dialogue expires. He has also ordered an additional $6M worth of weapons (including [redacted] AK-47's and [redacted] Belgian FAL rifles) which will allow the force to grow to 30,000.

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[redacted]

Political Situation

Two weeks of intense dialogue with the resistance leadership has resulted in the preparation of a document on national democratic objectives and reconstruction. Calero, Cruz, Robelo, and their respective political directorates have concurred in the document and will publicly promulgate the declaration at a news conference tentatively scheduled to be held in San Salvador on June 10. The document establishes civilian primacy over a unified military organization, commits the unified resistance to a democratic process, promises a plebecite to elect a new government, and

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N 41139

confirms their intention to invite an international peacekeeping force to supervise the disarmament of the military forces in Nicaragua once democracy has [redacted]hieved. Their statement also calls for a new constitution a[redacted] reconstruction of the country once the provisional government is installed.

A similar effort has been underway with both MISURA and MISURASATA in an effort to unify their two forces. [redacted] Brooklyn Rivera broke off his three month effort to achieve some degree of autonomy from the FSLN. In a series of meetings with Steadman Fagoth and his directorate, it was agreed that the Moravian Church would sponsor a mediation between the two groups starting on June 2, 1985. The Indians and Creoles have also been told that they will have a representative to the provisional government and Calero, Cruz, and Robelo have agreed. The letter at Tab B was provided during meetings with the Indians on Thursday. Although it contains dated information, it may be useful for you to provide it to the President.

In short, the political and military situation for the resistance now appears better than at any point in the last 12 months. Plans are underway to transition from ad hoc arrangements to a consultative capacity by the CIA for all political matters and intelligence, once Cong[redacted]roval is granted on lifting Section 8066 restrictions.[redacted]

RECOMMENDATION

That you brief the Presi[redacted]above.

Approve ____ Disapprove ____

[redacted]

Attachments
Tab A - Photograph [redacted]
Tab B - Steadman Fagoth Muller ltr to the President of May 11, [redacted]

UNCLASSIFIED

2 pages withdrawn
N 41140 - N 41141
Denied in full
5/28/87

MISURA
[illegible]
[illegible]
[illegible]

UNCLASSIFIED

N 41142

May 11, 1985

Mr. Ronald Reagan,
President of the
United States of America
Washington, D.C.

Dear Mr. President:

On behalf of the Indian communities of the East Coast of Nicaragua, and in particular MISURA (United Miskito, Sumo, and Rama Nations), which is my honor to command, I would like to extend our appreciation for your continued interest in our struggle for liberty, and for the generous reference to us in your speech in Bonn, Germany. "I am the Miskito Indian of Nicaragua", was a most eloquent form of moral support of our sacrifice, expressing in positive terms our vital participation in the redeeming of our country which is today, subject to the wishes and decisions of Soviet Communism.

The Indian resistance to the communist regime of Nicaragua, has caused savage repression by the Sandinista Government, which from it's inception has forced the exodus of our people, lead by Bishop Salvador Shaffer, to the Honduran Miskitia, the unqualified and indiscriminate massacre of our people; the disappropriation and destruction of our property, and of the confinement of innocent people in subhuman condition in camps, reminicent of Nazi concentration camps.

Of 256 communities existing before 1979 with populations of approximately 175.000, there remain only 117. The others were destroyed by the FSLN, their inhabitants forced from the Atlantic Coast of Nicaragua, forced to abandon their natural habitat. 22,000 to Honduran Miskitia and 15, 000 resettled by the Sandinista government, like prisoners into areas supervised by government troops to "avoid" annexation of the East Coast to the Freedom Fighters, as you so aptly refer to those of us who fight for liberty against the traitors of the Nicaraguan Revolution.

In spite of the need for economic resources it has not been difficult for MISURA to present a different perspective from that of the organization known as MISURASATA (sandinista unit of Miskito Sumo and Rama Nations, lead by Mr. Brooklyn Rivera, and directed by the sandinistas in order to have the Miskitos put aside their patriotic insurrection. Obviously MISRASATA and their traitorous campaign have full support of the Sandinista Government and of Democrat and liberal senators, unfortunately it is also backed by some suspect religious organization working in Nicaragua.

[illegible]

[illegible]

UNCLASSIFIED N 41143

-2-

In the face of this unfair situation MISURA is confronted by a dangerous despair, a lack of strength in the fighting which brings grave circumstances. Of 3800 combatants who have been trained military during 1982 and 1983, only 1800 are actually fighting in Nicaragua. The rest of that 3800 are to be found in refugee camps or in our native villages, barefoot and whithout equipment, awaiting orders.

The scarcity of economic resources has produced an alarming demoralization within our ranks. Demoralization when men see their brothers-in-arms die from the lack of antibiotics. Demoralization when men see their brothers-in-arm die from lack of outboard motor needed to transport wounded and sick to a zone where they can receive medical attention. And finally, Mr. President, demoralization when a soldier must go into battle armed with only one magazine of bullets because of their scarcity. This demoralization is accentuated upon seeing our soldiers without clothing with which to cover themselves.

Since economic aid was suspended 14 months ago, MISURA has been funded as follows; as of September 1984 our ally the FDN (Nicaraguan Democrat Front) has provided our organization with $6,000.00 monthly, increasing to 12,000.00 in January, 1985. In December 1984 during an intense money raising campaign held in Miami, Flori $20,000.00 and 683 pairs of boots were collected. In February $10,000.00 plus 6 outboard motors were donated by the United States Council for World Freedom. These cons titue all of the founds we have had at our disposal.

The economic needs plus the false campaign run by the sandinistas and Brookl Rivera is putting visible pressure on many Miskitos to give up the struggle which wil only allow communism to develope leisurely on the Atlantic Coast of Nicaragua.

In the face of this dramatic situation, in order not to give up our vision of liberty and in light of your unnegligable sympathy for our fight, representing MISURA, I have not hesitated in coming to you to ask for economic support, means of transportation, medicine, etc. In other words a specific budget proportional to our role in this historic, patriotic fight. As you have said, "Liberty gives results, bu in order to succeed it is necessary to win [illegible], so that it may serve as the foundation and destiny of our people and develope naturally for the security of our continent.

Mr. President, we are confident of your strong democratic characted which wi not allow you to abandon the fears fo my people, who want only to live with the peace that comes from justice and liberty, as Franklin D. Roosevelt said: It is a strength that withstands all attacks.

[redacted]

Sincerely,

Steadman Fagoth Muller
Military Leader of the Indian Movement "MISUR

MISURASATA
[illegible]

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N 41144

-3-

We the undersigued adhere ourselves with solidarity to the above text.

Wicliff Diego,
Political Coordinator.

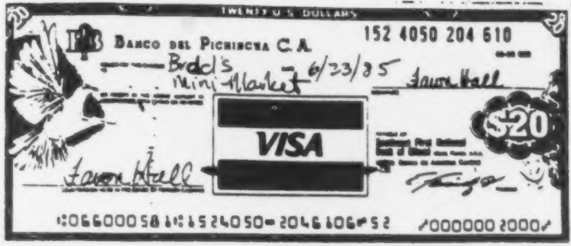
Marjilio Ramos,
Cheif of the SUMOS

Teofilo Archibel,
Creole Cheif.

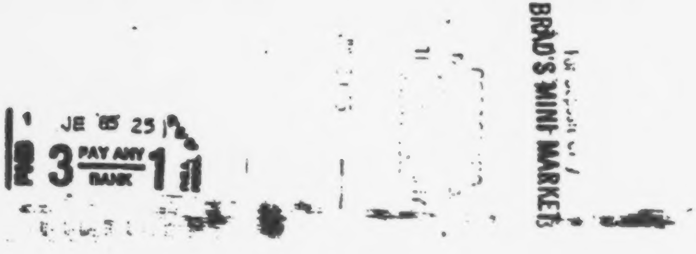
Alejo Teofilo,
Member Boad.

SFM;df

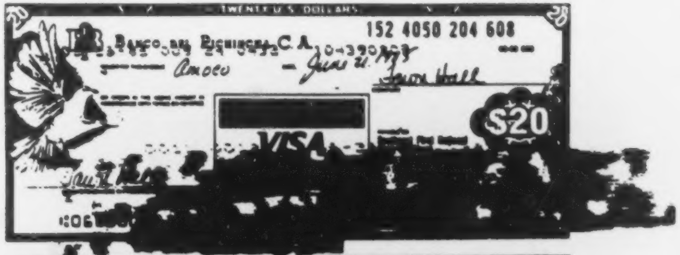
EXHIBIT
FH-7



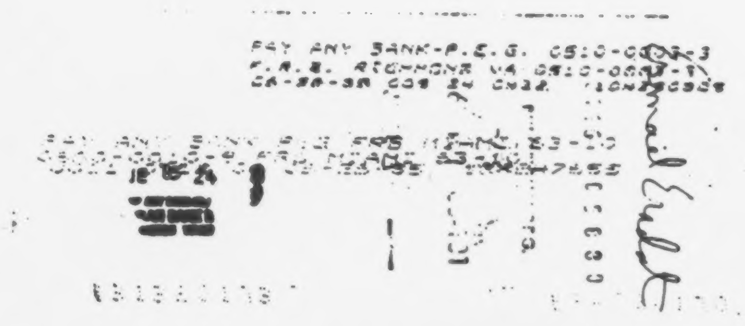
TWENTY U.S. DOLLARS
Banco del Pichincha C.A.
152 4050 204 610
Brad's Mini Market
6/23/85
Fawn Hall
VISA
$20
Fawn Hall
⑆066000058⑆ 1524050-2046106⑈52 ⑈0000002000⑈



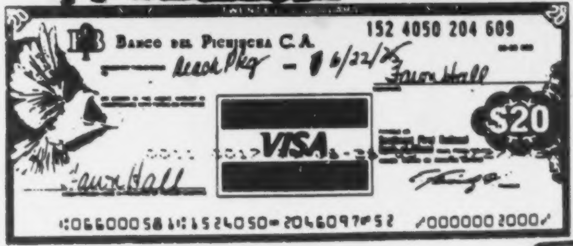
For deposit only
BRAD'S MINI MARKET
JE 85 25
3 PAY ANY BANK 1



TWENTY U.S. DOLLARS
Banco del Pichincha C.A.
152 4050 204 608
Amoco
June 21, '85
Fawn Hall
VISA
$20
Fawn Hall



PAY ANY BANK-P.E.G. 0510-00[illegible]-3
F.R.B. RICHMOND VA 0510-00[illegible]-1
Ismail Erdat
JE 85 24



TWENTY U.S. DOLLARS
Banco del Pichincha C.A.
152 4050 204 609
Beach Pkg
6/22/85
Fawn Hall
VISA
$20
Fawn Hall
⑆066000058⑆ 1524050-2046097⑈52 ⑈0000002000⑈

Deposit
Beach Package
1030 0628
JE 85 24
PAY ANY BANK
FNB
JE 85 26
P.E.B. PAY ANY BANK
JE 85 25
P.E.B. PAY ANY BANK

EXHIBIT OLN-154

N 10964

OEOB 302

SECURITY REPORT

ALARM NO. 0725

1. TYPE: ☒ SECURITY ☐ FIRE ☐ MALFUNCTION ☐ OTHER

2. DATE: 11-19-86

3. TIME: 0030 hrs. A.M. P.M.

4. NAME OF OCCUPANT: NSC

5. COMPLAINANT, IF ANY: Control Center

6. LOCATION: (AREA, ROOM NO. & BUILDING) OEOB Room # 302

7. FOUND BY: Control Center

8. DETAILS - DESCRIBE BRIEFLY (RECOMMENDATION, IF ANY)

On November 19, 1986, at approximately 0030 hours while conducting a routine survey of the alarm panel, zone #725, OEOB room #302 was found in access. A telephone call was placed to the office with negative results. Officer Kozina responded to the office and found it locked with a cypher lock but the access switch was never put in the secure mode. Officer Kozina cleared the area at 0040 hours.

Norman H. Zerofsky

Officer Norman H. Zerofsky
UNIFORMED DIVISION OFFICER

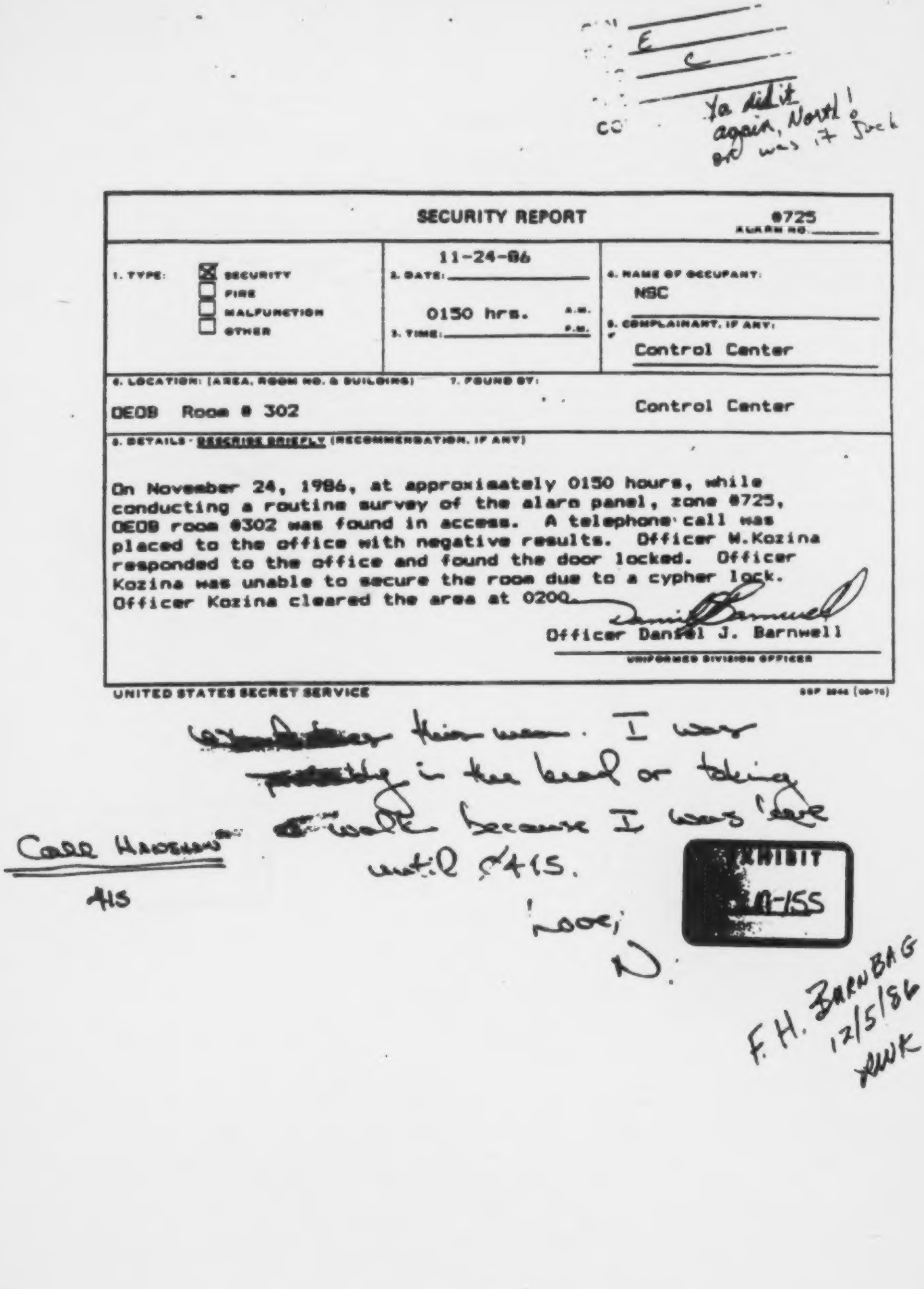
UNITED STATES SECRET SERVICE

SSF [illegible]

B.B Burleag-1
12/5/86
RWL

EXHIBIT
OLN-154

EXHIBIT OLN-155



E

C

CO

Ya did it
again, North!
or was it Jack

SECURITY REPORT #725 ALARM NO.

1. TYPE: ☒ SECURITY ☐ FIRE ☐ MALFUNCTION ☐ OTHER

2. DATE: 11-24-86

3. TIME: 0150 hrs. A.M. P.M.

4. NAME OF OCCUPANT: NSC

5. COMPLAINANT, IF ANY: Control Center

6. LOCATION: (AREA, ROOM NO. & BUILDING) OEOB Room # 302

7. FOUND BY: Control Center

8. DETAILS - DESCRIBE BRIEFLY (RECOMMENDATION, IF ANY)

On November 24, 1986, at approximately 0150 hours, while conducting a routine survey of the alarm panel, zone #725, OEOB room #302 was found in access. A telephone call was placed to the office with negative results. Officer W.Kozina responded to the office and found the door locked. Officer Kozina was unable to secure the room due to a cypher lock. Officer Kozina cleared the area at 0200.

Daniel J. Barnwell

Officer Daniel J. Barnwell

UNIFORMED DIVISION OFFICER

UNITED STATES SECRET SERVICE SSF 3044 (08-78)

[illegible] this one. I was [illegible] in the head or taking a walk because I was here until 0415.

Love,

N.

CARL HANSEN

415

EXHIBIT

[illegible]N-155

F.H. BARNBAG
12/5/86
AWK

LEE H. HAMILTON, INDIANA, CHAIRMAN
DANTE B. FASCELL, FLORIDA, VICE CHAIRMAN
THOMAS S. FOLEY, WASHINGTON
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EDWARD P. BOLAND, MASSACHUSETTS
ED JENKINS, GEORGIA

JOHN W. NIELDS, JR., CHIEF COUNSEL
W. NEIL EGGLESTON, DEPUTY CHIEF COUNSEL
CASEY MILLER, STAFF DIRECTOR

U.S. HOUSE OF REPRESENTATIVES
SELECT COMMITTEE TO INVESTIGATE
COVERT ARMS TRANSACTIONS WITH IRAN
UNITED STATES CAPITOL
WASHINGTON, DC 20515
(202) 225-7902

DICK CHENEY, WYOMING
WM. S. BROOMFIELD, MICHIGAN
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JIM COURTER, NEW JERSEY
BILL McCOLLUM, FLORIDA
MICHAEL DeWINE, OHIO

THOMAS R. SMEETON, MINORITY STAFF DIRECTOR
GEORGE VAN CLEVE, CHIEF MINORITY COUNSEL
RICHARD LEON, DEPUTY CHIEF MINORITY COUNSEL

NORTH OBSTRUCTION: CHRONOLOGY

Friday, November 21, 1986

-----	Probably while riding back to DC in car with McFARLANE, NORTH says there has to be a shredding party. (McFarlane at 179).
-----	North speaks to Meese in West Wing, and asks him how much time he has. Meese responds that North may not have as much time as he asked. (Earl Dep. at 65-66). North indicates that AG people were going to be coming soon to review documents. (Id. at 73-74).
pm?	NORTH, in the midst of sorting through files, tells EARL he's been designated the scapegoat. (Earl Deposition at 64).
aftn.	NORTH gives HALL documents and asks her to make changes. (Hall at 249). HALL destroys the marked up originals. (Id. at 251). HALL fails to destroy her corresponding file copies. (Id. at 263).
early even.	NORTH begins shredding documents from the 5-drawer safe. HALL joins in the effort.

Saturday, November 22, 1986

-----	Reynolds and Richardson begin review of documents in North's office. (Earl Dep. at 76).
-----	After Reynolds and Richardson leave for lunch, North apparently takes a folder with a bunch of

papers to be shredded. Thompson is with him when he leaves the office with "a hefting of documents." (Earl Dep. at 79-80).

----- Reynolds and Richardson return to NSC offices and tell North that Meese wants to speak with him. North calls Meese and arranges a meeting for the next day. (Earl Dep. at 81-82).

Sunday, November 23, 1986

12:30 pm NORTH meets McFARLANE at McF's office. McF suggest that this might have been the time of NORTH's shredding party remark. (McF at 179). NORTH says that his only concern is the diversion. (Id. at 182).

Tuesday, November 25, 1986

noon NORTH informs HALL that he has been fired. (Hall at 294).

pm Green arrives to see North

pm NORTH calls HALL from a hotel. HALL later puts a call from PRESIDENT through to NORTH at the hotel. (Hall at 296). According to NORTH, the President said NORTH was a hero and "that he just didn't know." (Id. at 297).

pm REGER seals NORTH's office. (Hall at 297).

pm HALL comes across the original altered documents from the previous Friday, and realizes she had not completed the process of replacing the original versions. (Hall at 298). HALL also notices PROF notes and minutes of the May Tehran meeting and became concerned that these had not been destroyed.

pm HALL calls NORTH in a panic. NORTH agrees to come back to office. He tells HALL to clear in Tom Green. (Hall 301-02).

pm HALL takes materials which concerned her to the upper level of the office. There she stuffed the copies of the altered documents into her boots. HALL asks EARL to help her pull the PROF notes from the file. HALL puts these PROF notes "in my back." (Hall at 303-04).

pm NORTH and GREEN arrive at the office. HALL, NORTH, and GREEN leave together and go to

GREEN's car. HALL gives the docments she had removed to NORTH in the car. GREEN asks her what she would say about shredding, she says its done every day, he says "good."

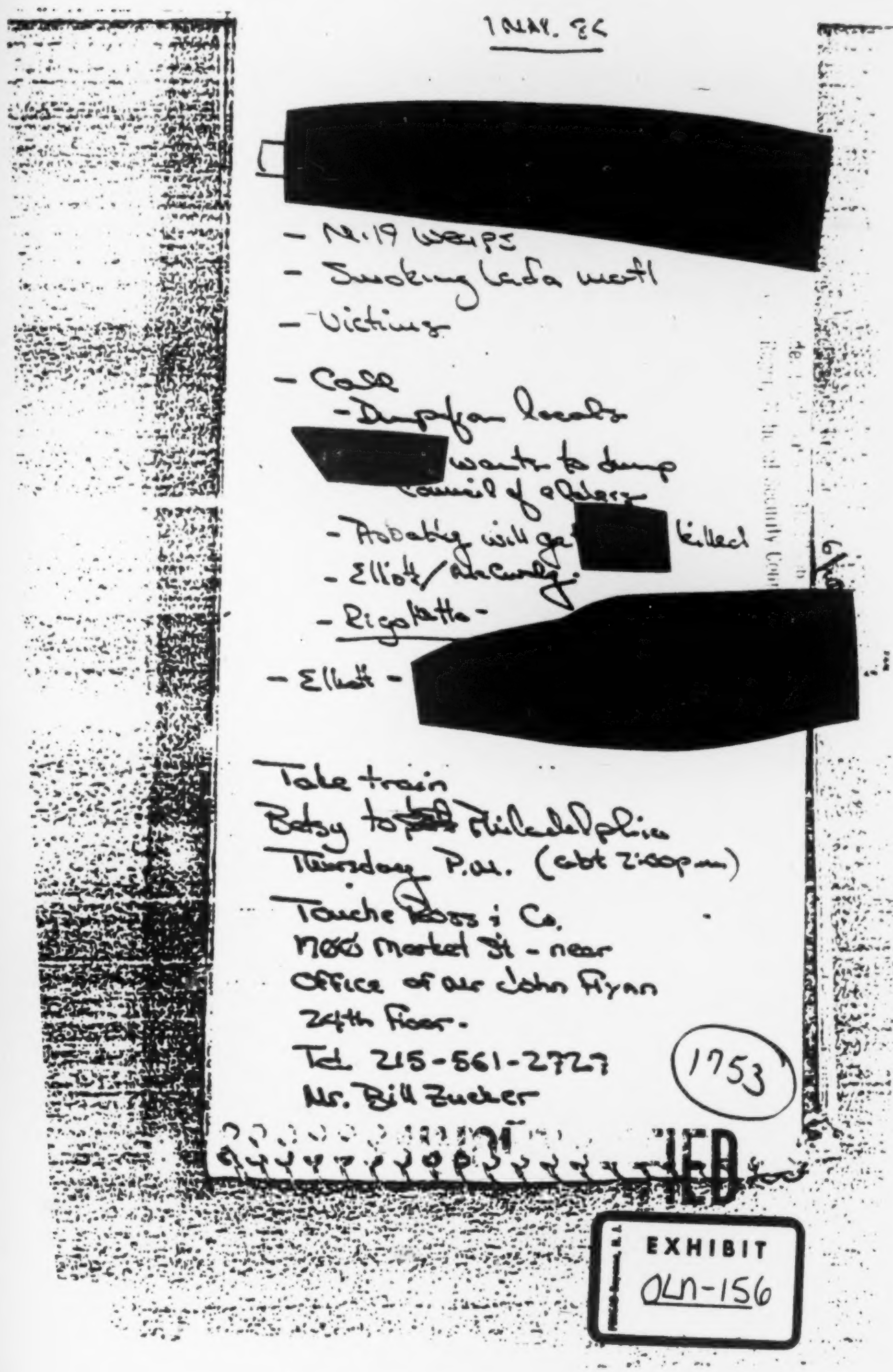
Thursday, November 27, 1986

----- Jay STEPHENS from White House counsel calls HALL and asks her about the shredding incident. HALL said "we shred every day" and "led him to believe that there was nothing unusual about what had occurred." (Hall at 308-09).

Friday, November 28, 1986

----- HALL and EARL agree not to discuss the removal of documents with FBI investigators. (Hall at 310-11).

EXHIBIT OLN-156



1 MAY. 86

[redacted]

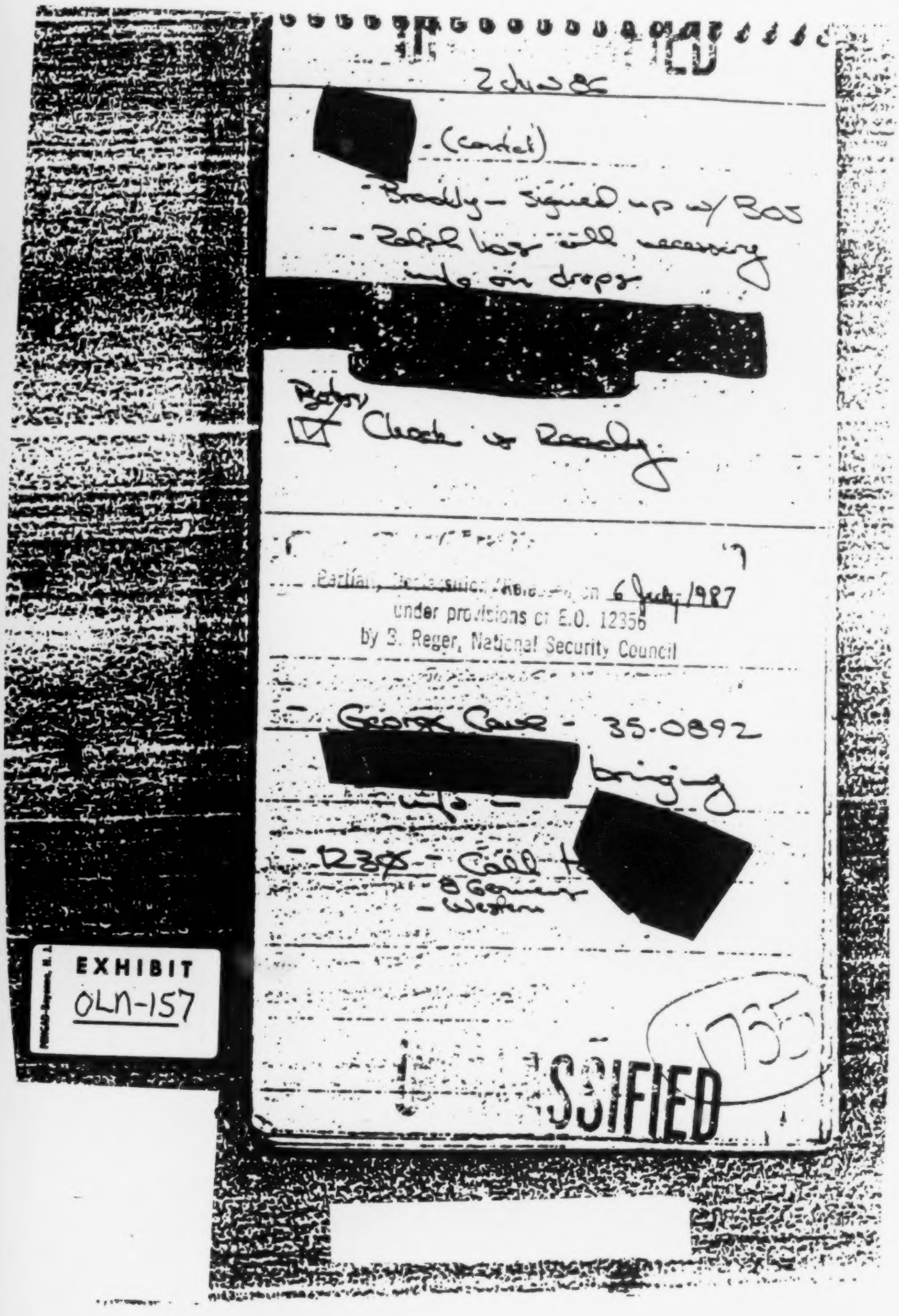
- M.19 Weaps
- Smoking lada mat'l
- Victims
- Call
  - Dump for locals
  - [redacted] wants to dump council of elders
  - Probably will get [redacted] killed
  - Elliott/McCurdy.
  - Rigoletto - [redacted]
- Elliott - [redacted]

Take train
Betsy to ~~Phil~~ Philadelphia
Thursday P.M. (abt 2:00 p.m.)
Touche Ross & Co.
1700 Market St - near
Office of Mr John Ryan
24th floor.
Tel. 215-561-2727
Mr. Bill Zucker

1753

EXHIBIT
OLN-156

EXHIBIT OLN-157



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2 Jun 86

[redacted] - (contd)

- Broadly - signed up w/ BOS
- Ralph has all necessary info on drops

[redacted]

Rodney

☑ Check w/ Broadly

Partially Declassified/Released on 6 July 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

- George Cave - 35-0892

[redacted] bringing info -

[redacted]

- 1230 - Call
  - 8 Germany
  - Western

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1755

EXHIBIT
OLN-157

EXHIBIT OLN-158

CLAS: ‘LAS [redacted] AO WHITE HOUSE COMMU... ....

#36

N 12565

*** Reply to note of 07/15/86 14:07

UNCLASSIFIED

NOTE FROM: OLIVER NORTH
Subject: PRIVATE BLANK CHECK

We are rapidly approaching the point where the PROJECT DEMOCRACY assets in CentAm need to be turned over to CIA for use in the new program. The total value of the assets (six aircraft, warehouses, supplies, maintenence facilities, ships, boats, leased houses, vehicles, ordnance, munitions, communications equipment, and a 6520' runway on property owned by a PRODEM proprietary) is over [redacted]

All of the assets - and the personnel- are owned/paid by overseas companies with no U.S. connection. All of the equipment is in first rate condition and is already in place. It wd be ludicrous for this to simply disappear just because CIA does not want to be "tainted" with picking up the assets and then have them spend $8-10M of the $100M to replace it - weeks or months later. Yet, that seems to be the direction they are heading, apparently based on NSC guidance.

If you have already given Casey instructions to this effect, I wd vy much like to talk to you about it in hopes that we can reclama the issue. All seriously believe that immediately after the Senate vote the DRF will be subjected to a major Sandinista effort to break them before the U.S. aid can become effective. PRODEM currently has the only assets available to support the DRF and the CIA's most ambitious estimate is 30 days after a bill is signed before their own assets will be available. This will be a disaster for the DRF if they have to wait that long. Given our lack of movement on other funding options, and Elliot plea for PRODEM to get food to the resistance ASAP, PRODEM will have to borrow at least $2M to pay for the food. That's O.K., and Dick is willing to do so tomorrow - but only if there is reasonable assurance that the lenders can be repaid. The only way that the $2M in food money can be repaid is if CIA purchases the $4.5M+ worth of PRODEM equipment for about $2.25M when the law passes. [redacted] [redacted] told them where they can get them commercially from the USAF as excess - the same way PRODEM bought them under proprietary arrangements. It is just unbelievable. If you wish I can send you a copy of the PROJECT DEMOCRACY status report which includes a breakdown of assets. It is awful, nonattributable reading. Warm Regards, North

] PRIVATE BLANK CHECK

[redacted]

[redacted]

EXHIBIT OLN-158

4 May 87

JMP 5/186 (18)

EXHIBIT OLN-159

#33

```
CC: NSPUB   --CPUA  [redacted]  NSFJB   --CPUA
    NSPBT   --CPUA              NSAGB   --CPUA     ALTON G. KEEL
  U  Poland
MSG FROM: NSJMP   --CPUA     TO: NSOLN   --CPUA             04/11/86 12:01:00
To: NSOLN   --CPUA     OLLIE NORTH

                         -- SECRET --
NOTE FROM: JOHN POINDEXTER
SUBJECT: Public Affairs Campaign on Central America
Bill Casey was in this morning and amongst other things he said that he still
felt that we needed somebody in the WH full time on Central America public
affairs. I think what he really has in mind is a political operative that can
twist arms and also run a high powered public affairs campaign. What do you
think?
 What about your priest friend, too?

I also went over with him our plans on the hostages and he is on board.



FILE: SEP06   [redacted] 10  WHITE HOUSE COMMUNICATIONS AGENCY

Also went over the Secord matters. Bill agrees Secord is a patriot. We will
check into our suspicions. I told him he could get more detail from you.
  0  Public Affairs Campaign on Central America
MSG FROM: NSJMP   --CPUA     TO: NSSDN   --CPUA             04/11/86 [illegible]
```

JMP 3a/4

N 18730

[illegible] 4 May 87
[illegible] E.O. 12356
[illegible] Security Council

EXHIBIT
OLN-159

EXHIBIT OLN-160

UNCLASSIFIED

From: NSJMP --CPUA Date and time 09/13/86 12:09:04
To: NSOLN --CPUA

*** Reply to note of 09/12/86 21:50

6234

-- SECRET --

NOTE FROM: JOHN POINDEXTER
Subject: Iran
I think you should go ahead and make it happen. It can be a private deal between Dick and [redacted] that we bless. As I told you in the other note I talked to Casey this morning about Secord. Keep the pressure on Bill to make things right for Secord.

473
~~955~~

Partially Declassified/Released on 5-19-87
under provisions of E.O. 12356
by [illegible], National Security Council

EXHIBIT
OLN-160

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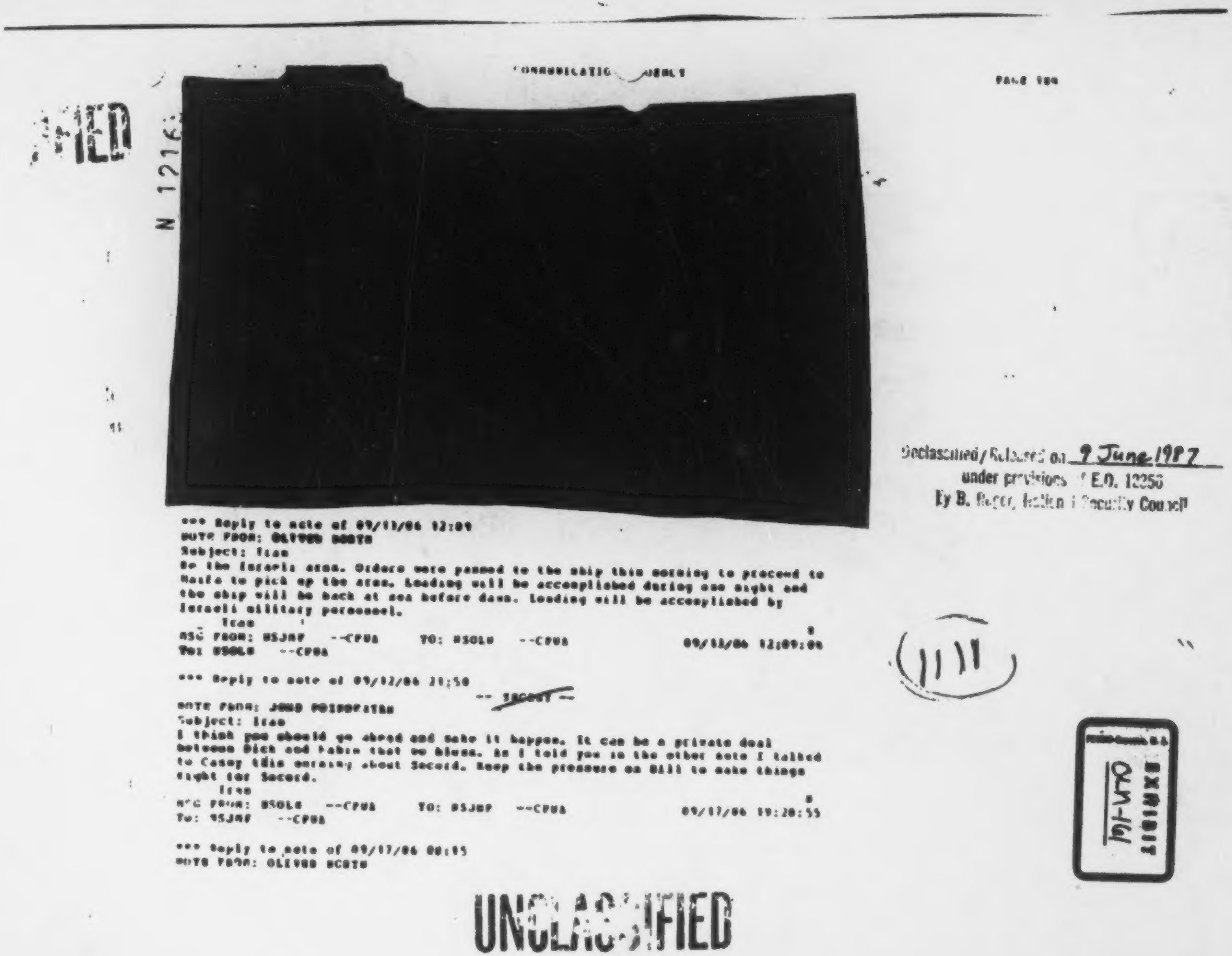
EXHIBIT OLN-161



COMMUNICATIO [illegible] ONLY

PAGE [illegible]

[redacted]

*** Reply to note of 09/11/86 12:09
NOTE FROM: OLIVER NORTH
Subject: Iran
Re the Israeli arms. Orders were passed to the ship this morning to proceed to Haifa to pick up the arms. Loading will be accomplished during one night and the ship will be back at sea before dawn. Loading will be accomplished by Israeli military personnel.
Iran
MSG FROM: NSJMP --CPUA TO: NSOLN --CPUA 09/11/86 12:09:06
To: NSOLN --CPUA

*** Reply to note of 09/12/86 21:50
-- ~~SECRET~~ --
NOTE FROM: JOHN POINDEXTER
Subject: Iran
I think you should go ahead and make it happen. It can be a private deal between Dick and Rabin that we bless. As I told you in the other note I talked to Casey this morning about Secord. Keep the pressure on Bill to make things right for Secord.
Iran
MSG FROM: NSOLN --CPUA TO: NSJMP --CPUA 09/17/86 19:20:55
To: NSJMP --CPUA

*** Reply to note of 09/17/86 08:15
NOTE FROM: OLIVER NORTH

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FIED

N 12163

Declassified/Released on 9 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

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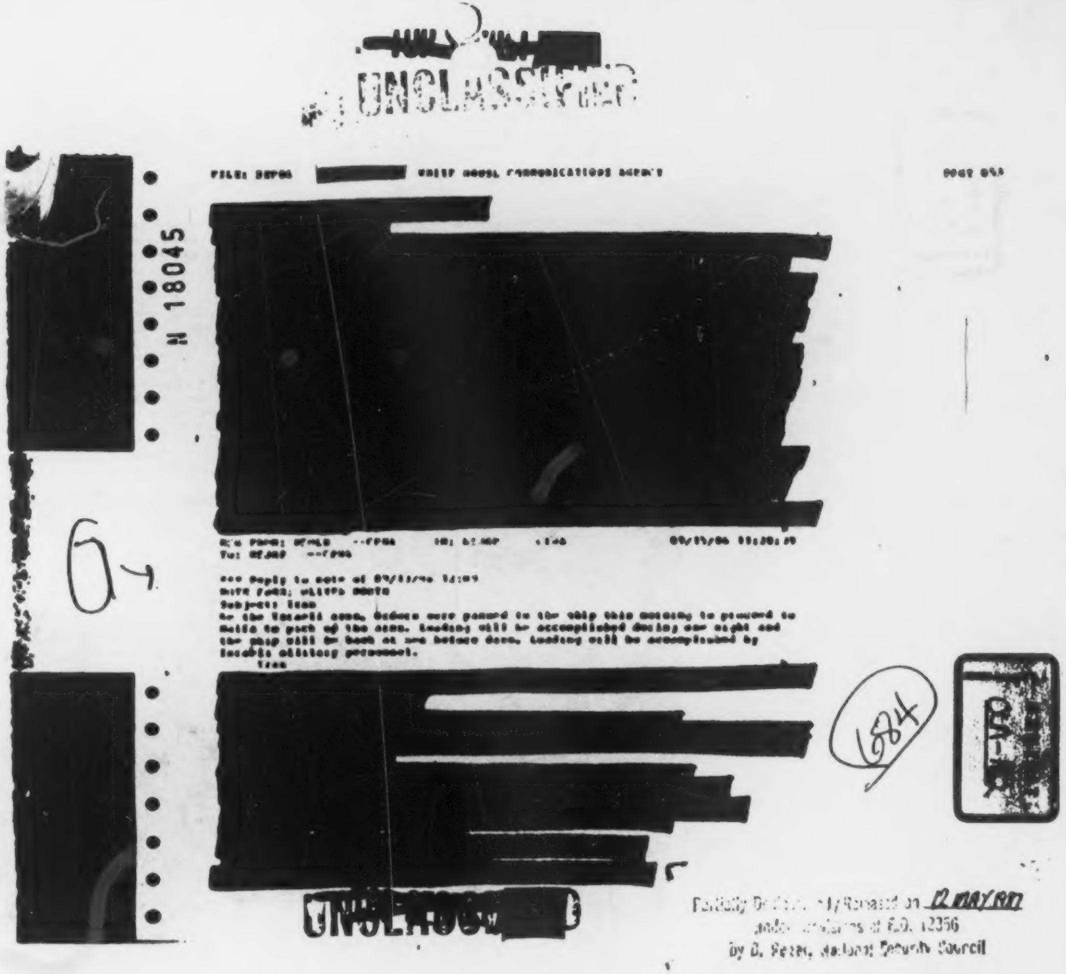
EXHIBIT
OLN-161

EXHIBIT OLN-162



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FILE: [illegible] [redacted] WHITE HOUSE COMMUNICATIONS AGENCY [illegible]

[redacted]

[illegible] FROM: [illegible] --CPUA TO: [illegible] [illegible] [illegible]
To: [illegible] --CPUA

*** Reply to note of [illegible]
NOTE FROM: OLLIE NORTH
Subject: Iran
[illegible] were passed to the ship this morning to proceed to [illegible] port of the area. Loading will be accomplished during one night and the ship will be back at sea before dawn. Loading will be accomplished by [illegible] military personnel.
Iran

[redacted]

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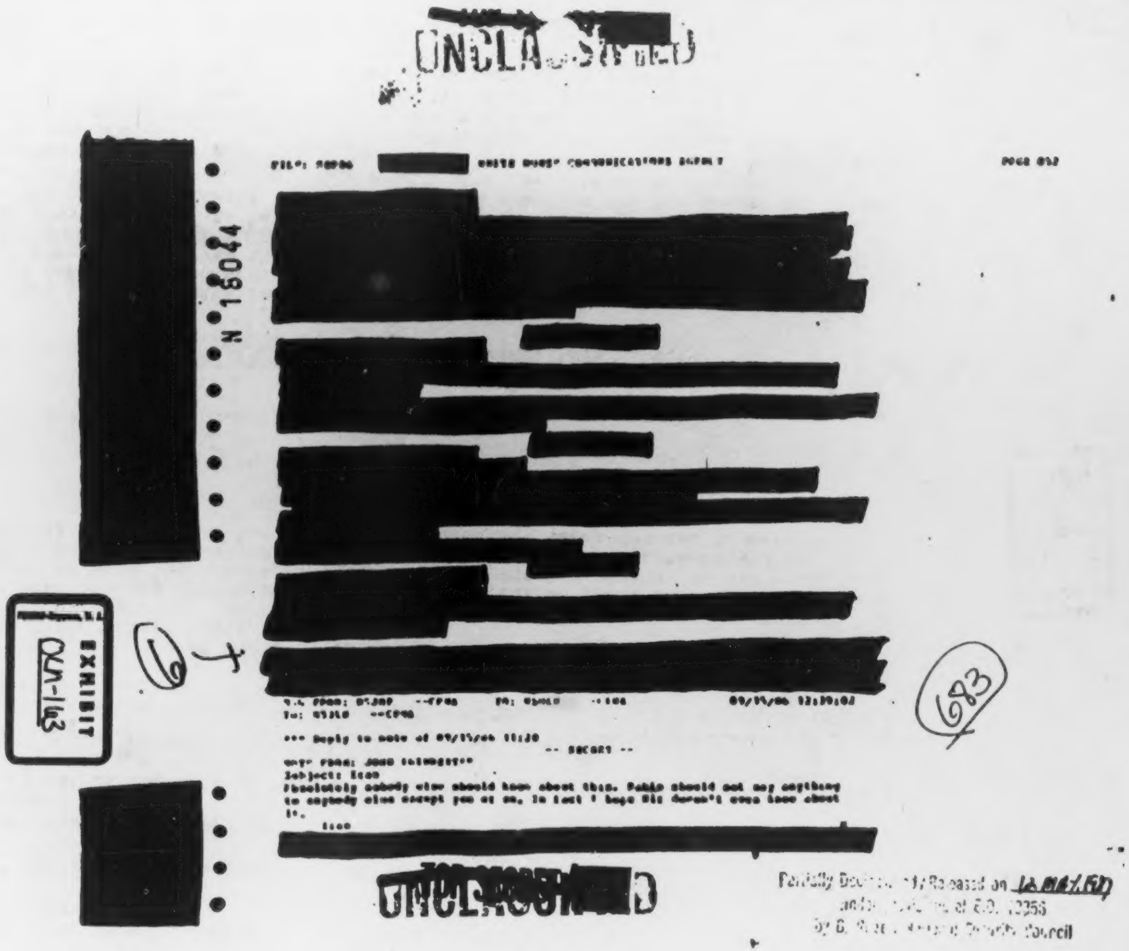
OLN-162

Partially Declassified/Released on 12 MAY 87
under provisions of E.O. 12356
by B. Reger, National Security Council

EXHIBIT OLN-163



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FILE: [illegible] [redacted] WHITE HOUSE COMMUNICATIONS AGENCY PAGE [illegible]

[redacted]

[redacted]

N 18044

[redacted]

[illegible] FROM: [illegible] --CPUA TO: [illegible] --[illegible] 09/15/86 12:30:02
To: [illegible] --CPUA

*** Reply to note of 09/15/86 11:30
-- SECRET --

NOTE FROM: JOHN POINDEXTER
Subject: Iran
Absolutely nobody else should know about this. [illegible] should not say anything to anybody else except you or me. In fact I hope [illegible] doesn't even know about it.
Iran

[redacted]

[redacted]

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EXHIBIT
OLN-163

683

Partially Declassified/Released on 18 MAY 87
under provisions of E.O. 12356
by B. Reger, National Security Council

EXHIBIT OLN-164

UNCLASSIFIED

N 12601

EXHIBIT OLN-164

695

MSG FROM: NSJMP --CPUA TO: NSOLN --CP 09/17/86 14:35:04
To: NSOLN --CPUA

*** Reply to note of 09/17/86 12:59 [redacted]
-- SECRET --

NOTE FROM: JOHN POINDEXTER
Subject: Iran
Casey called and told me what he wanted to do. I don't think George will be a problem. He was actually enthusiastic about CAVE's talking to [redacted]
Iran
MSG FROM: NSOLN --CPUA TO: NSJMP --CPUA 09/17/86 12:59:11
To: NSJMP --CPUA

*** Reply to note of 09/10/86 13:15
NOTE FROM: OLIVER NORTH
Subject: Iran
Per your note on the surveillance package I called Casey and told him we need to get on with the parole paperwork in that you had already agreed - and had furthermore just endorsed the surveillance request. He acknowledged yr approval for the plan but said he was concerned about Shultz. He said he

[illegible] on May 12, 1987
[illegible] E.O. 12356
by C. Reger, National Security Council

FROM: NSPOS [redacted] WHITE HOUSE COMMUNICATIONS AGENCY

planned to tell Shultz in general terms that we were talking to another high level Iranian and that we would fill him in after the interview. I protested that experience showed that Shultz would then talk to [redacted] and [redacted] could well be the source of the Jack Anderson stuff we have seen periodically. Casey agreed to proceed with the INS parole paperwork for [redacted] and the visa for his escort but noted that he would still talk privately to Shultz about this. We are now underway with getting [redacted] aboard a chartered jet out of [redacted] CIA could not produce an aircraft on such "short notice" so Dick has chartered the A/C thru one of Project Democracy's overseas companies. Why Dick can do something in 5hrs. that the CIA cannot do in two days is beyond me - but he does. How the hell he is ever going to pay for it is also a matter of concern, b[illegible]ick is a good soldier and never even yawned about it. You may want to t[illegible] to Sec Shultz about [redacted] before [redacted]ll prepare a memo

UNCLASSIFIED

EXHIBIT OLN-165

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::/    B. BUTTON                                                       87 05 27  PAGE    1
                                                    TRIAL BALANCE FROM  1 01 87 TO 31 05 87
/:  DESCRIPTION                                             BALANCE                 BALANCE
                                                                          CURRENCY    US$

       CAPITAL                                  US$
       ##################################

011001 CAPITAL INVESTED                         US$     211 337.34-        211 337.34-
                                                                       ---------------
       TOTAL GROUP                                                         211 337.34-

       ASSETS & LIABILITIES                     US$
       ##################################

51801  SECURITIES - MERRILL LYNCH               US$     214 262.98         214 262.98
600001 CASH ACCOUNT                             US$       1 881.79           1 881.79
                                                                       ---------------
       TOTAL GROUP                                                         216 144.77

       P/L. NET BALANCE (1-5)                                                4 807.43

       CHARGES                                  US$
       ##################################

                                                                       ---------------
       TOTAL GROUP                                                               0.00
```

EXHIBIT
OLN-165

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        B. BUTTON                                                     87 05 27  PAGE    2
                                             TRIAL BALANCE FROM   1 01 87 TO 31 05 87
 /    DESCRIPTION                                   BALANCE                  BALANCE
                                                                       CURRENCY    US$
        INCOME                               US$
        ######################################

/1111   INTEREST EARNED ON BONDS             US$       3 697.28-           3 697.28-
//701   INTEREST EARNED ON FTD               US$       1 110.15-           1 110.15-
                                                                    ---------------
        TOTAL GROUP                                                      4 807.43-

        GRAND TOTALS                                        0.00              0.00

                                             MKF         22.5734
                                             HK$         12.8222
                                             $AU         69.9007
```

II 02777

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4227     B. BUTTON                                                                   87 05 27  PAGE
      SECURITIES T/B. BY DEPOT       FROM 01 01 87 TO 31 05 87                                   POR

A/C.  NAME & DESCRIPTION                                      BALANCE      DEBIT       CREDIT      PI

1129A  6.8750 MERRILL LYNCH 8/7/87     87/87      US$         214262+    214 262.98                1

       ########################################
       TOTALS                                     US$                    214 262.98
```

EXHIBIT OLN-166

Funds on Deposit with

CSF Investments

May 27, 1987

Albert Hakim	
Regular	254,912.36
Sub A/C #1	2,170,844.85
Sub A/C #2	2,093,295.21
Sub A/C #3	160,210.89
Korel Assets	1,578,176.92
SciTech	193,717.36
Button	216,144.77
TOTAL ASSETS	6,667,302.36

EXHIBIT
OLN-166

EXHIBIT OLN-167

[redacted]

H 1646

~~$~~ 15000. → Wire STTGI

R.V. Secord – small fee

→ Mrs. Bellybutton

→

STTG1
First Amer Bank of Va.
McLean, Va.
22102

a/c ~~00~~ 448192

Branch Mgr
Becky Ogden
703-827-8733

$15000.

(RF)

1082277, 52 1

Albin

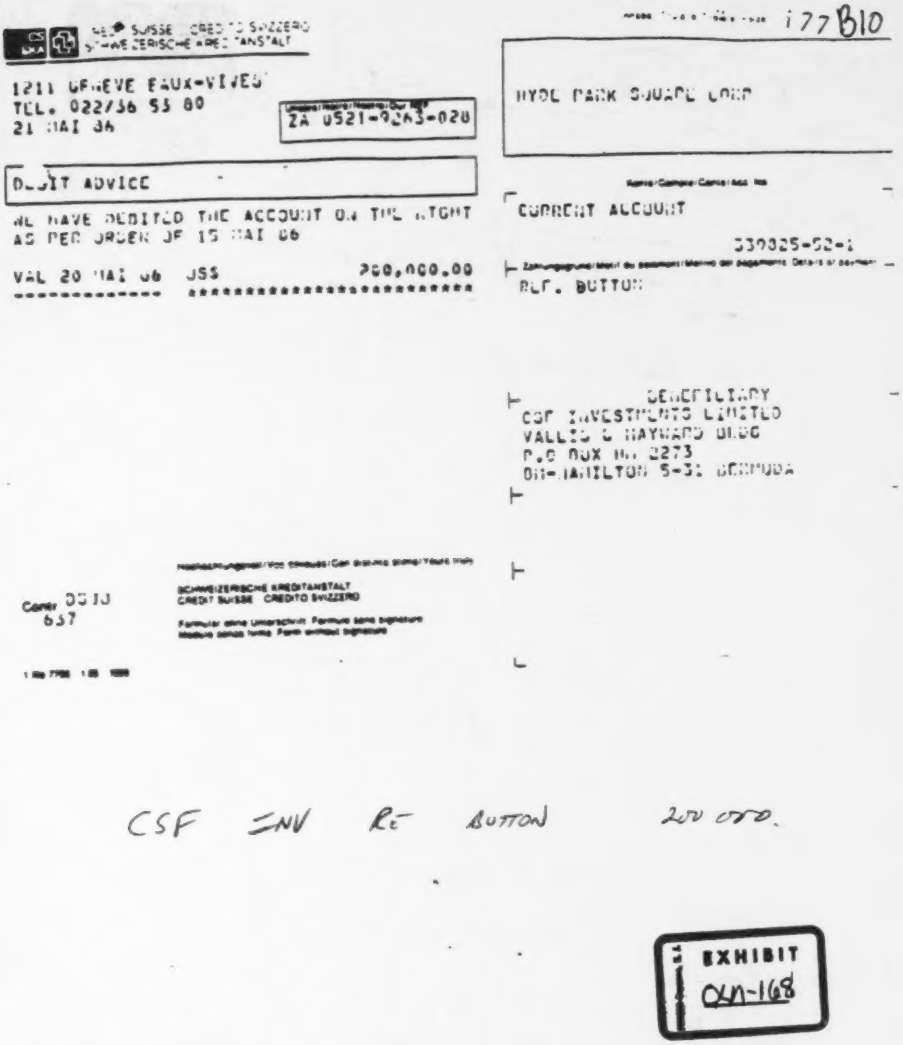
Get Roland to reimburse you

CS →
608.033.62.1

$ 15000.
200.
$ 15200.

to Cover Bank Chgs + 3 LD Tel calls to USA

EXHIBIT OLN-168



CREDIT SUISSE CREDITO SVIZZERO
SCHWEIZERISCHE KREDITANSTALT

1211 GENEVE EAUX-VIVES
TEL. 022/36 53 80
21 MAI 86

Unsere/Notre/Nostro/Our ref
ZA 0521-9263-020

i77B10

HYDE PARK SQUARE CORP

DEBIT ADVICE

WE HAVE DEBITED THE ACCOUNT ON THE RIGHT
AS PER ORDER OF 15 MAI 86

VAL 20 MAI 86 US$ 200,000.00

Konto/Compte/Conto/Acc. No
CURRENT ACCOUNT
339325-52-1

Zahlungsgrund/Motif du paiement/Motivo del pagamento/Details of payment
REF. BUTTON

BENEFICIARY
CSF INVESTMENTS LIMITED
VALLIS & HAYWARD BLDG
P.O BOX HM 2273
BM-HAMILTON 5-31 BERMUDA

Hochachtungsvoll/Vos dévoués/Con distinta stima/Yours truly

SCHWEIZERISCHE KREDITANSTALT
CREDIT SUISSE CREDITO SVIZZERO

Formular ohne Unterschrift Formule sans signature
Modulo senza firma Form without signature

Corer 0310
657

CSF INV RE BUTTON 200 000.

EXHIBIT
OLN-168

EXHIBIT OLN-169

4u#2

TO THE HOLDERS OF ACCOUNT A.H. SUB-ACCOUNT 1

We are pleased to confirm that during the lifetime of Albert HAKIM, we shall accept instructions with respect to this account and any assets therein from Albert HAKIM alone, both with respect to the investment of assets and the payment of funds from the account, whether to him or to any third party or parties he shall designate. Should Albert HAKIM die or become disabled so that he is unable to communicate with us (become "disabled"), or otherwise be unable to communicate with us, a decision we shall make in our best judgment, we shall then accept instructions with respect to this account from Richard V. SECORD alone, both with respect to the investment of assets and the payment of funds from the account, whether to him or to any third party or parties he shall designate.

Should Richard V. SECORD after having qualified to give us instructions concerning this account, die, or become disabled, or otherwise be unable to communicate with us, a decision we shall make in our best judgment, we shall then accept instructions with respect to this account from Oliver NORTH alone, both with respect to the investment of assets and the payment of funds from the account, whether to him or to any third party or parties he shall designate.

In each instance we are authorized to accept instructions from the person being entitled to act with respect to this account, regardless of the content of said instructions, including to pay the totality of the

A4

EXHIBIT
OLN-169

- 2 -

assets in this account to that person or his designee, in cash or otherwise, and we shall not be responsible in any way for the use and application of these funds.

Should none of the three individuals named above be alive, then upon receipt of proof of death in form satisfactory to us, we shall divide the then remaining balance in this account in 3 equal parts of equal value, and hold one such part for the designees of that individual if he shall have left a written designation with us, or if he shall not, we shall pay that part to the properly designated representative of his estate.

We further confirm that although these instructions are not irrevocable, we shall accept a change in these instructions only with the written approval of any two of the three individuals named above, unless only one of the three shall be living, then on the written direction of the survivor. Nevertheless, we direct your attention to the fact that the person having the right to operate this account may withdraw any part or all of the assets in this account at any time without the consent of any third party.

CSF INVESTMENTS, LTD.

By :

Albert Hakim

EXHIBIT OLN-170

Glenn Robinette & Associates
3263 ARCADIA PLACE, NW
WASHINGTON, DC 20015
(202) 966-5873

2 July 1986

Lt. Col. Oliver North
703 Kentland Drive
Great Falls, Virginia 22066

For Installation of Security Equipment, Systems and Services at 703 Kentland Drive, Great Falls, VA.	$8,000.00

(This equipment should prevent any further problems for you and the family. Please call me if there are any questions about the operation of the systems and/or any other matters regarding protective security)

Many thanks!

EXHIBIT
OLN-170

6/17/87 [illegible]

EXHIBIT OLN-171

Glenn Robinette & Associates
3285 ARCADIA PLACE NW
WASHINGTON, DC 20015
(202) 966-5873

2 July 1986

Lt. Col. Oliver North
703 Kentland Drive
Great Falls, Virginia 22066

For Installation of Security Equipment, Systems and Services at 703 Kentland Drive, Great Falls, VA.	$8,000.00

(This equipment should prevent any further problems for you and the family. Please call me if there are any questions about the operation of the systems and/or any other matters regarding protective security)

Many thanks!

22 September 1986

Ollie,

Due to my schedule I have not found time to follow up on my paper work - as you can see from the dates. I'm sure that you have had the same problem. Please remit when you have time.

Many thanks!

EXHIBIT
OLN-171

Ex.

EXHIBIT OLN-172

LtCol Oliver L.North, USMC
703 Kentland Dr.
Great Falls, Va. 22066

18 May 1986

Dear Mr. Robinette

My wife and I have considered your kind offer to expedite the installation of a security system at our house in Great Falls. In view of the recent threat by Abu Nidal my frequent absences from home, we would very much appreciate it if you could proceed in accord with the terms we discussed in our last meeting.

It is my understanding that the full system will cost approximately $8000-8500; that it can be installed quickly; and that we have two options for reimbursing you for the expenses:

1. Loan of the equipment for a period not to exceed the expiration of my active service in the United States Marine Corps (June 1988), at which time we will make our home available for commercial endorsement of your firm and the equipment without fee; or

2. Payment in full for the equipment and the cost of installation in 24 equal monthly increments commencing on the date that the installation is completed and fully operational.

Given our current financial situation, we would prefer the first alternative if this is still amenable to your company. I am particularly concerned about the safety of the children given the unfortunate media visibility my position has generated. If the aforementioned terms are still acceptable to you, we would like to have you commence work as soon as possible. We are, of course, prepared to sign an endorsement contract now if you require more than this letter as indication of our intent.

Sincerely,

O. L. North

Oliver L. North

EXHIBIT
OLN-172

EXHIBIT OLN-173

Oliver L. North
703 Kentland Dr.
Falls Church, Va. 22066
1 Oct 86

Dear Glenn,

Please forgive me for not getting back to you sooner. I've been out of town and we seem to keep missing each other on phone calls.

The reason for my first call was to inquire about your note of September 22. We are a bit confused and surely don't want there to be any misunderstanding in that we are very pleased with the security arrangements at the house. I am also grateful for your looking in on Betsy and the girls now that Stuart is off at school and my hectic pace does not seem to have slowed a bit.

Back to the point: your note of September 22. It was our understanding that we were going to go ahead with the first option for reimbursement - that is; commercial endorsement of your company and the equipment when I retire from the Marine Corps in 1988. If that is not your understanding, we need to get together and talk. While we are very pleased with the system and the fact that it "came in under estimate" (old Pentagon saying), we just don't have $8,000 without borrowing it, and with Stuart in school, and Tait going next year, that is a real problem.

Please advise soonest. I don't want you to be cought short - but I don't want to have to resort to holding up gas stations on my way home from work at night either.

Warm regards,

P.S. Please forgive the type — I literally "dropped the ball"

EXHIBIT
OLN-173
6/17/87

EXHIBIT OLN-174

EXHIBIT
OLN-174

HAKIM LEDGER [illegible]

[illegible]

PURPOSE	ACCOUNT	DATE	TYPE	TRANSACTION	DEBIT	CREDIT	BALANCE
SHIP	DOLMY	07-May-86	SHIP EXPENSES	CHARTERING (ADVANCE)	8,000.00		1,857,438.00
SHIP	DOLMY	07-May-86	SHIP EXPENSES	CAPTAIN ARNE HERUP (CASH ADVANCE)	5,000.00		1,852,438.00
SHIP	DOLMY	07-May-86	SHIP	SHIP (PAYABLE)	290,464.00		1,561,974.00
OTHER	ALBON VALUES	12-May-86	BUSINESS	TRIP - TRAVEL	2,793.00		1,559,181.00
OTHER	ALBON VALUES	13-May-86	BUSINESS	TRIP - TRAVEL	3,000.00		1,556,181.00
INCOME	LAKE RESOURCES	14-May-86	INCOME	FUNDS FROM KASHOGGI		10,000,000.00	11,556,181.00
OTHER	ALBON VALUES	14-May-86	BUSINESS	TWO CORELLIS (ON EXP)	101,500.00		11,454,681.00
OTHER	ALBON VALUES	15-May-86	BUSINESS	BUSINESS EXPENSE	2,778.00		11,451,903.00
SPECIAL	ALBON VALUES	15-May-86	CYPRESS	BILL/GREG/DAVE SEA TO CYPRESS	30,150.00		11,421,753.00
IRAN	HYDE PARK SQUARE	15-May-86	ARMS	CIA	6,500,000.00		4,921,753.00
INCOME	LAKE RESOURCES	16-May-86	INCOME	FUNDS FROM KASHOGGI		5,000,000.00	9,921,753.00
INCOME	LAKE RESOURCES	16-May-86	INCOME	FUNDS FROM ISRAEL		1,460,000.00	11,381,753.00
CAPITAL	ALBON VALUES	16-May-86	CAPITAL	SCITECH TRIAMERICAN ARMS	150,000.00		11,231,753.00
OTHER	GULF MARKETING	20-May-86	BUSINESS	DIRECTORS FEES CSF INV 600101	2,500.00		11,229,253.00
CONTRA	UDALL	20-May-86	AIR OPS	EAST IN.	84,894.00		11,144,359.00
CAPITAL	ALBON VALUES	20-May-86	CAPITAL	SCITECH	8,833.00		11,135,526.00
CAPITAL	ALBON VALUES	20-May-86	CAPITAL	HAKEL	26,490.00		11,109,036.00
OTHER	TOYCO	20-May-86	BUSINESS	DIRECTORS FEES	2,740.00		11,106,296.00
SHIP	DOLMY	20-May-86	SHIP	CURRENCY INSURANCE (PAYABLE)	52,904.00		11,053,392.00
CAPITAL	ALBON VALUES	20-May-86	CAPITAL	C. TEA	26,490.00		11,026,902.00
CONTRA	UDALL	20-May-86	AIRCRAFT	ACE	102,411.00		10,924,491.00
CAPITAL	HYDE PARK SQUARE	20-May-86	CAPITAL	BUTTON	200,000.00		10,724,491.00
CONTRA	TOYCO	20-May-86	ARMS	PORTUGAL ARMS SBG GVA (ACCT 67 666 BB)	13,150.00		10,711,341.00
CAPITAL	ALBON VALUES	20-May-86	CAPITAL	HAKIM	26,490.00		10,684,851.00
CAPITAL	HYDE PARK SQUARE	21-May-86	CAPITAL	HAKIM	60,300.00		10,624,551.00
SHIP	DOLMY	21-May-86	SHIP EXPENSES	CAPTAIN ARNE HERUP (CASH ADVANCE)	5,012.00		10,619,539.00
CONTRA	ALBON VALUES	21-May-86	AIR OPS	SOUTHERN AIR TRANSPORT L100	55,000.00		10,564,539.00
CONTRA	ALBON VALUES	21-May-86	AIR OPS	SOUTHERN AIR TRANSPORT JET STAR	50,000.00		10,514,539.00
CONTRA	ALBON VALUES	21-May-86	AIR OPS	SOUTHERN AIR TRANSPORT REFUEL	40,000.00		10,474,539.00
CAPITAL	GULF MARKETING	21-May-86	CAPITAL	HAKIM	10,000.00		10,464,539.00
CAPITAL	HYDE PARK SQUARE	22-May-86	CAPITAL	SCITECH	100,000.00		10,364,539.00
IRAN	HYDE PARK SQUARE	22-May-86	AIR TRANSPORT	AEROLEASING	33,471.00		10,331,068.00
CIA	HYDE PARK SQUARE	23-May-86	ARMS	PORTUGAL ARMS SBG GVA	200,000.00		10,131,068.00
IRAN	HYDE PARK SQUARE	23-May-86	AIR OPS	SOUTHERN AIR TRANSPORT	410,000.00		9,721,068.00
CAPITAL	HYDE PARK SQUARE	23-May-86	CAPITAL	HAKIM	500,000.00		9,221,068.00
CIA	HYDE PARK SQUARE	23-May-86	ARMS	PORTUGAL ARMS SBG GVA	200,000.00		9,021,068.00
SHIP	DOLMY	23-May-86	SHIP EXPENSES	ACHERIT SERVICES MARITIME	20,000.00		9,001,068.00
UNKNOWN	HYDE PARK SQUARE	23-May-86	UNKNOWN	CASH (GENERAL EXPENSES)	2,144.00		8,998,924.00
OTHER	HYDE PARK SQUARE	27-May-86	BUSINESS	BUSINESS EXPENSE	26,653.00		8,972,271.00
CAPITAL	TOYCO	27-May-86	CAPITAL	HAKIM	10,000.00		8,962,271.00
IRAN	HYDE PARK SQUARE	28-May-86	AIR OPS	SOUTHERN AIR TRANSPORT	200,000.00		8,762,271.00
OTHER	HYDE PARK SQUARE	28-May-86	BUSINESS	BUSINESS EXPENSE	1,604.00		8,760,667.00
CAPITAL	HYDE PARK SQUARE	28-May-86	SPECIAL	SCITECH - STTGI	43,847.00		8,716,820.00
SHIP	HYDE PARK SQUARE	28-May-86	SHIP	CURRENCY EXCHANGE	26,525.00		8,690,295.00
CAPITAL	TOYCO	03-Jun-86	CAPITAL	HAKIM	79,167.00		8,611,128.00
CAPITAL	TOYCO	03-Jun-86	CAPITAL	C. TEA	79,167.00		8,531,961.00
OTHER	HYDE PARK SQUARE	03-Jun-86	BUSINESS	BUSINESS EXPENSE	1,000.00		8,530,961.00
CAPITAL	TOYCO	03-Jun-86	CAPITAL	HAKEL	79,167.00		8,451,794.00
CAPITAL	TOYCO	03-Jun-86	CAPITAL	SCITECH	26,390.00		8,425,404.00
SHIP	DOLMY	05-Jun-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	3,125.00		8,422,279.00
SHIP	DOLMY	05-Jun-86	SHIP EXPENSES	CREW WAGES - CHIEF (ENG AND MATE	5,500.00		8,416,779.00

HAKIM LEDGER [illegible] [illegible]

PURPOSE	ACCOUNT	DATE	TYPE	TRANSACTION	DEBIT	CREDIT	BALANCE
CONTRA	ALBON VALUES	06-Jun-86	CONTRA	CRUZ	7,000.00		8,409,779.00
CONTRA	ALBON VALUES	06-Jun-86	AIR OPS	QUINTERO, R.	5,000.00		8,404,779.00
CONTRA	ALBON VALUES	06-Jun-86	CONTRA	ROBELO	10,000.00		8,394,779.00
IRAN	HYDE PARK SQUARE	06-Jun-86	AIR TRANSPORT	[illegible]	76,488.00		8,318,291.00
OTHER	ALBON VALUES	07-Jun-86	BUSINESS	[illegible]	2,294.00		8,315,997.00
SHIP	DOLMY	12-Jun-86	SHIP	SHIP OPERATING EXPENSES	1,293.00		8,314,704.00
CONTRA	TOYCO	16-Jun-86	AIR OPS	QUINTERO, R.	10,000.00		8,304,704.00
UNKNOWN	GULF MARKETING	16-Jun-86	UNKNOWN	CSF INV 640001	2,548.00		8,302,156.00
UNKNOWN	GULF MARKETING	16-Jun-86	UNKNOWN	CLOSING ENTRY	15,222.00		8,286,934.00
CAPITAL	HYDE PARK SQUARE	18-Jun-86	CAPITAL	HAKIM	200,000.00		8,086,934.00
CONTRA	HYDE PARK SQUARE	18-Jun-86	AIR OPS	SOUTHERN AIR TRANSPORT	242,000.00		7,844,934.00
CONTRA	ALBON VALUES	18-Jun-86	AIR OPS	MONTERO, J	48,525.00		7,796,409.00
CAPITAL	HYDE PARK SQUARE	18-Jun-86	CAPITAL	HAKIM	2,000,000.00		5,796,409.00
CAPITAL	TOYCO	20-Jun-86	CAPITAL	HOREL	11,183.00		5,785,226.00
CONTRA	TOYCO	20-Jun-86	ARMS	HAUSER ALMADRA	500,000.00		5,285,226.00
CONTRA	ALBON VALUES	20-Jun-86	AIR OPS	SOUTHERN AIR TRANSPORT	25,000.00		5,260,226.00
CAPITAL	TOYCO	20-Jun-86	CAPITAL	HAKIM	11,183.00		5,249,043.00
CAPITAL	TOYCO	20-Jun-86	CAPITAL	C. TEA	11,183.00		5,237,860.00
CAPITAL	TOYCO	20-Jun-86	CAPITAL	SCITECH	3,728.00		5,234,132.00
SHIP	DOLMY	26-Jun-86	SHIP EXPENSES	CHARTERING SERVICES	6,425.00		5,227,707.00
CONTRA	UDALL	27-Jun-86	AIR	CORPORATE AIR SERVICES	58,000.00		5,169,707.00
CONTRA	HYDE PARK SQUARE	30-Jun-86	CONTRA	ROBELO	10,000.00		5,159,707.00
SHIP	DOLMY	30-Jun-86	SHIP EXPENSES	CHARTERING SERVICES	3,454.00		5,156,253.00
CONTRA	HYDE PARK SQUARE	30-Jun-86	CONTRA	CRUZ	7,000.00		5,149,253.00
CONTRA	HYDE PARK SQUARE	30-Jun-86	AIR OPS	QUINTERO, R.	5,000.00		5,144,253.00
CAPITAL	UDALL	30-Jun-86	SPECIAL	SCITECH - STTGI	30,000.00		5,114,253.00
IRAN	ALBON VALUES	01-Jul-86	STUDY	ERIC ZUCKER CASH	1,000.00		5,113,253.00
CONTRA	TOYCO	01-Jul-86	AIR OPS	SOUTHERN AIR TRANSPORT	200,000.00		4,913,253.00
CIA	TOYCO	01-Jul-86	ARMS	PORTUGAL ARMS SDG CHD (ACCT 67 666 84)	845,000.00		4,068,253.00
CONTRA	UDALL	07-Jul-86	AIR OPS	SOUTHERN AIR TRANSPORT	11,040.00		4,057,213.00
CAPITAL	UDALL	07-Jul-86	SPECIAL	SCITECH - STTGI	21,476.00		4,035,737.00
CONTRA	HYDE PARK SQUARE	07-Jul-86	AIR OPS	EAST INC	61,304.00		3,974,433.00
IRAN	HYDE PARK SQUARE	07-Jul-86	FEES	LAVASANI, JILA	2,500.00		3,971,933.00
SHIP	DOLMY	08-Jul-86	SHIP EXPENSES	CHARTERING SERVICES	15,500.00		3,956,433.00
SHIP	DOLMY	09-Jul-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	3,125.00		3,953,308.00
SHIP	ALBON VALUES	09-Jul-86	SHIP	CURRENCY EXCHANGE	2,778.00		3,950,530.00
SHIP	DOLMY	10-Jul-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	5,000.00		3,945,530.00
SHIP	DOLMY	10-Jul-86	SHIP EXPENSES	CREW WAGES	5,900.00		3,939,630.00
SHIP	DOLMY	10-Jul-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	6,250.00		3,933,380.00
SHIP	DOLMY	14-Jul-86	SHIP EXPENSES	CHARTERING SERVICES	1,460.00		3,931,920.00
CAPITAL	UDALL	14-Jul-86	SPECIAL	SCITECH - TRIP WZ TO U.S.	8,599.00		3,923,321.00
CAPITAL	HYDE PARK SQUARE	14-Jul-86	CAPITAL	C. TEA	10,000.00		3,913,321.00
SHIP	DOLMY	15-Jul-86	SHIP EXPENSES	CSF GUARANTEE (INSURANCE)	70,000.00		3,843,321.00
CIA	HYDE PARK SQUARE	16-Jul-86	ARMS	PORTUGAL ARMS SWISS	881,987.00		2,961,334.00
SHIP	DOLMY	16-Jul-86	SHIP EXPENSES	CHARTERING OPS	5,430.00		2,955,904.00
CONTRA	HYDE PARK SQUARE	16-Jul-86	AIR	[illegible] CONTRACTORS LTD	45,392.00		2,910,512.00
CONTRA	HYDE PARK SQUARE	18-Jul-86	AIRCRAFT	C-123 [illegible] PURCHASE	125,000.00		2,785,512.00
CONTRA	HYDE PARK SQUARE	18-Jul-86	AIRCRAFT	C-123 ALBERT HAUSER PURCHASE	125,000.00		2,660,512.00
UNKNOWN	HYDE PARK SQUARE	19-Jul-86	TRANSFER	TRANSFER TO TRANSIT	310,000.00		2,350,512.00
CAPITAL	ALBON VALUES	22-Jul-86	SPECIAL	HOREL - TOM GREEN	50,000.00		2,300,512.00
SHIP	DOLMY	23-Jul-86	SHIP EXPENSES	CHARTERING SERVICES	4,444.00		2,296,068.00

HAKIM LEDGER [illegible]

[illegible]-87

PURPOSE	ACCOUNT	DATE	TYPE	TRANSACTION	DEBIT	CREDIT	BALANCE
SHIP	DOLMY	23-Jul-86	SHIP	SHIP EXPENSES	4,176.00		2,291,892.00
CONTRA	ALBON VALUES	24-Jul-86	AIR OPS	EAST INV	87,860.00		2,204,032.00
CAPITAL	ALBON VALUES	24-Jul-86	SPECIAL	HAKIM - JANIS, SCHUELKE, AND WECHSLER	10,000.00		2,194,032.00
OTHER	ALBON VALUES	24-Jul-86	TRAVEL	HOTEL INTERCONTINENTAL	7,052.00		2,186,980.00
SHIP	DOLMY	25-Jul-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	3,125.00		2,183,855.00
IRAN	HYDE PARK SQUARE	28-Jul-86	AIR	HERB EYTAN	196,250.00		1,987,605.00
SHIP	DOLMY	28-Jul-86	SHIP EXPENSES	CHARTERING SERVICES	16,000.00		1,971,605.00
IRAN	HYDE PARK SQUARE	30-Jul-86	STUDY	ERIC ZUCKER LOAN	1,000.00		1,970,605.00
CONTRA	UDALL	30-Jul-86	AIR OPS	MONTERO, J.	16,204.00		1,954,401.00
OTHER	UDALL	30-Jul-86	BUSINESS	COMPANIA DEL DESPA[illegible]	3,993.00		1,950,408.00
CAPITAL	UDALL	30-Jul-86	SPECIAL	HAKIM - LILAL RENAUD CHARLES	4,896.00		1,945,512.00
IRAN	UDALL	30-Jul-86	FEES	[illegible], JILA	8,000.00		1,937,512.00
OTHER	UDALL	31-Jul-86	BUSINESS	BUSINESS EXPENSE	40,000.00		1,897,512.00
SHIP	DOLMY	31-Jul-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	3,125.00		1,894,387.00
SHIP	DOLMY	31-Jul-86	SHIP EXPENSES	CREW WAGES	7,100.00		1,887,287.00
CAPITAL	UDALL	01-Aug-86	SPECIAL	SCITECH - STTGI	70,000.00		1,817,287.00
CAPITAL	UDALL	04-Aug-86	SPECIAL	HAKIM - STANFORD TECHNOLOGY	13,000.00		1,804,287.00
SHIP	DOLMY	04-Aug-86	SHIP EXPENSES	CHARTERING SERVICES	12,000.00		1,792,287.00
CONTRA	UDALL	07-Aug-86	AIR	CORPORATE AIR SERVICES - BECHY	81,434.00		1,710,853.00
IRAN	ALBON VALUES	20-Aug-86	BUSINESS	BUSINESS EXPENSE (TOM CLINES)	10,000.00		1,700,853.00
CAPITAL	ALBON VALUES	20-Aug-86	SPECIAL	SCITECH - DANCO ASSOCIATES (STTGI)	10,000.00		1,690,853.00
SHIP	DOLMY	21-Aug-86	SHIP EXPENSES	CHARTERING SA	4,800.00		1,686,053.00
CONTRA	UDALL	22-Aug-86	AIR OPS	SOUTHERN AIR TRANSPORT	125,000.00		1,561,053.00
CONTRA	TOYCO	22-Aug-86	CONTRA	CRUZ	14,000.00		1,547,053.00
IRAN	UDALL	22-Aug-86	AIR TRANSPORT	AEROLEASING	21,439.00		1,525,614.00
OTHER	UDALL	22-Aug-86	BUSINESS	BUSINESS EXPENSE RVS (SECORD)	7,000.00		1,518,614.00
CONTRA	TOYCO	22-Aug-86	CONTRA	ROBELO	20,000.00		1,498,614.00
CONTRA	UDALL	22-Aug-86	INVESTIGATE	ROBINETTE (INVESTIGATE CASH ACCT.)	9,000.00		1,489,614.00
SHIP	DOLMY	22-Aug-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	6,250.00		1,483,364.00
CONTRA	UDALL	22-Aug-86	AIR OPS	EAST INV	56,000.00		1,427,364.00
CONTRA	TOYCO	22-Aug-86	AIR OPS	QUINTERO, R.	10,000.00		1,417,364.00
CAPITAL	TOYCO	25-Aug-86	SPECIAL	SCITECH - FORWAY INDUSTRIES (STTGI)	50,000.00		1,367,364.00
SHIP	DOLMY	25-Aug-86	SHIP EXPENSES	CREW WAGES	7,100.00		1,360,264.00
SHIP	DOLMY	25-Aug-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	6,250.00		1,354,014.00
OTHER	TOYCO	25-Aug-86	BUSINESS	BUSINESS EXPENSE	9,453.00		1,344,561.00
CONTRA	UDALL	26-Aug-86	AIRCRAFT	ACE	46,892.00		1,297,669.00
OTHER	TOYCO	26-Aug-86	BUSINESS	BUSINESS EXPENSE	500.00		1,297,169.00
CAPITAL	TOYCO	27-Aug-86	CAPITAL	HOREL	258,398.00		1,038,771.00
CAPITAL	TOYCO	27-Aug-86	CAPITAL	HAKIM	258,398.00		780,373.00
CAPITAL	TOYCO	27-Aug-86	CAPITAL	C. TEA	258,398.00		521,975.00
OTHER	TOYCO	27-Aug-86	BUSINESS	BUSINESS EXPENSE	1,000.00		520,975.00
CAPITAL	TOYCO	27-Aug-86	CAPITAL	SCITECH	86,133.00		434,842.00
SHIP	DOLMY	28-Aug-86	SHIP EXPENSES	CHARTERING	15,000.00		419,842.00
OTHER	TOYCO	01-Sep-86	BUSINESS	TOM CLINES (NY EXP)	51,000.00		368,842.00
CONTRA	TOYCO	02-Sep-86	AIR	CORPORATE AIR SERVICES	62,018.00		306,824.00
CONTRA	TOYCO	02-Sep-86	ATTORNEY	TOM GREEN	15,000.00		291,824.00
CONTRA	TOYCO	05-Sep-86	AIR OPS	QUINTERO, R.	5,000.00		286,824.00
IRAN	TOYCO	05-Sep-86	FEES	[illegible], JILA	5,000.00		281,824.00
CONTRA	TOYCO	09-Sep-86	CONTRA	CRUZ	7,000.00		274,824.00
CONTRA	TOYCO	09-Sep-86	CONTRA	ROBELO	10,000.00		264,824.00
CONTRA	TOYCO	11-Sep-86	AIR OPS	SOUTHERN AIR TRANSPORT	50,000.00		214,824.00

HAKIM LEDGER [illegible]

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PURPOSE	ACCOUNT	DATE	TYPE	TRANSACTION	DEBIT	CREDIT	BALANCE
CAPITAL	TOYCO	12-Sep-86	SPECIAL	SCITECH - STTGI	15,000.00		199,824.00
IRAN	TOYCO	12-Sep-86	FEES	LAVASANI, JILA	10,000.00		189,824.00
CONTRA	TOYCO	12-Sep-86	ATTORNEY	TOM GREEN	10,000.00		179,824.00
OTHER	TOYCO	18-Sep-86	BUSINESS	BUSINESS EXPENSE - TOM CLINES	2,000.00		177,824.00
CONTRA	HYDE PARK SQUARE	24-Sep-86	AIR OPS	QUINTERO, R.	10,000.00		167,824.00
IRAN	ALBON VALUES	24-Sep-86	BUSINESS	BUSINESS EXPENSE (TOM CLINES)	5,000.00		162,824.00
INCOME	HYDE PARK SQUARE	24-Sep-86	INCOME	FUNDS FROM CIA		1,200,000.00	1,362,824.00
CONTRA	LAKE RESOURCES	25-Sep-86	AIR OPS	EAST INC.	14,449.00		1,348,375.00
IRAN	HYDE PARK SQUARE	25-Sep-86	AIR TRANSPORT	AEROLEASING	5,729.00		1,342,646.00
CONTRA	TOYCO	25-Sep-86	AIR OPS	SOUTHERN AIR TRANSPORT	100,000.00		1,242,646.00
CONTRA	UDALL	25-Sep-86	AIR	CORPORATE AIR SERVICES	91,936.00		1,150,710.00
SHIP	DOLMY	26-Sep-86	SHIP EXPENSES	CREW WAGES	7,100.00		1,143,610.00
SHIP	DOLMY	26-Sep-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	3,125.00		1,140,485.00
SHIP	DOLMY	26-Sep-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	3,125.00		1,137,360.00
SHIP	DOLMY	27-Sep-86	SHIP EXPENSES	CHARTERING SR	13,340.00		1,124,020.00
IRAN	HYDE PARK SQUARE	30-Sep-86	BUSINESS	BUSINESS EXPENSE HAKIM	51,000.00		1,073,020.00
IRAN	HYDE PARK SQUARE	30-Sep-86	STUDY	ERIC ZIMMER CASH	1,000.00		1,072,020.00
CONTRA	HYDE PARK SQUARE	02-Oct-86	AIR OPS	QUINTERO, R.	5,000.00		1,067,020.00
CAPITAL	HYDE PARK SQUARE	03-Oct-86	SPECIAL	SCITECH - STTGI	25,000.00		1,042,020.00
CAPITAL	HYDE PARK SQUARE	03-Oct-86	CAPITAL	HAKIM REIMBURSEMENT	250,000.00		792,020.00
CONTRA	HYDE PARK SQUARE	06-Oct-86	CONTRA	ROBELO	10,000.00		782,020.00
CONTRA	HYDE PARK SQUARE	06-Oct-86	CONTRA	CRUZ	7,000.00		775,020.00
CAPITAL	HYDE PARK SQUARE	06-Oct-86	SPECIAL	HAKIM - STANFORD TECHNOLOGY	30,000.00		745,020.00
IRAN	HYDE PARK SQUARE	08-Oct-86	FEES	LAVASANI, JILA	5,740.00		739,280.00
IRAN	HYDE PARK SQUARE	08-Oct-86	AIR TRANSPORT	AEROLEASING	54,552.00		684,728.00
OTHER	HYDE PARK SQUARE	08-Oct-86	BUSINESS	DIRECTOR'S FEES	1,872.00		682,856.00
SHIP	DOLMY	15-Oct-86	SHIP EXPENSES	CHARTERING SR	20,000.00		662,856.00
OTHER	HYDE PARK SQUARE	15-Oct-86	BUSINESS	BUSINESS EXPENSE - HAKIM	2,000.00		660,856.00
IRAN	HYDE PARK SQUARE	20-Oct-86	AIR	AERO EXTRA	251,000.00		409,856.00
CONTRA	HYDE PARK SQUARE	22-Oct-86	ATTORNEY	TOM GREEN	20,000.00		389,856.00
OTHER	HYDE PARK SQUARE	22-Oct-86	BUSINESS	BUSINESS EXPENSE CASH	2,000.00		387,856.00
IRAN	HYDE PARK SQUARE	22-Oct-86	AIR TRANSPORT	AEROLEASING	19,065.00		368,791.00
IRAN	HYDE PARK SQUARE	27-Oct-86	BUSINESS	BUSINESS EXPENSE HAKIM	51,000.00		317,791.00
IRAN	HYDE PARK SQUARE	27-Oct-86	ARMS	CIA	2,037,000.00		(1,719,209.00)
IRAN	HYDE PARK SQUARE	27-Oct-86	EXPENSES	EXPENSES (DUTTON)	40,000.00		(1,759,209.00)
SHIP	DOLMY	28-Oct-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	7,100.00		(1,766,309.00)
SHIP	DOLMY	28-Oct-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	3,125.00		(1,769,434.00)
SHIP	DOLMY	28-Oct-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	3,125.00		(1,772,559.00)
OTHER	HYDE PARK SQUARE	28-Oct-86	BUSINESS	BUSINESS EXPENSE	6,000.00		(1,778,559.00)
INCOME	HYDE PARK SQUARE	29-Oct-86	INCOME	FUNDS FROM IRAN		3,600,000.00	1,821,441.00
CAPITAL	HYDE PARK SQUARE	03-Nov-86	SPECIAL	SCITECH - STTGI	50,000.00		1,771,441.00
CONTRA	HYDE PARK SQUARE	05-Nov-86	AIR OPS	QUINTERO, R.	5,000.00		1,766,441.00
OTHER	HYDE PARK SQUARE	05-Nov-86	BUSINESS	BUSINESS EXPENSE	1,176.00		1,765,265.00
CONTRA	HYDE PARK SQUARE	05-Nov-86	CONTRA	ROBELO	10,000.00		1,755,265.00
OTHER	HYDE PARK SQUARE	05-Nov-86	BUSINESS	BUSINESS EXPENSE	10,000.00		1,745,265.00
CONTRA	HYDE PARK SQUARE	05-Nov-86	CONTRA	CRUZ	7,000.00		1,738,265.00
OTHER	HYDE PARK SQUARE	06-Nov-86	BUSINESS	BUSINESS EXPENSE	4,671.00		1,733,594.00
IRAN	HYDE PARK SQUARE	06-Nov-86	FEES	LAVASANI, JILA	10,000.00		1,723,594.00
CAPITAL	HYDE PARK SQUARE	11-Nov-86	CAPITAL	L. TEA	30,000.00		1,693,594.00
SHIP	DOLMY	11-Nov-86	SHIP EXPENSES	CAPTAIN ARNE HERUP	7,100.00		1,686,494.00
CAPITAL	HYDE PARK SQUARE	12-Nov-86	SPECIAL	HAKIM - FORMAY (CSF INVESTMENT)	260,000.00		1,426,494.00

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PURPOSE	[illegible]	DATE	TYPE	DESCRIPTION	DEBIT	CREDIT	BALANCE
UNKNOWN	SMALL	15-Nov-86	UNKNOWN	CASH WITHDRAWAL	[illegible]		1,620,798.00
CAPITAL	HYDE PARK SQUARE	16-Nov-86	SPECIAL	SCITECH - STIGI	250,000.00		1,370,798.00
CAPITAL	HYDE PARK SQUARE	18-Nov-86	SPECIAL	SCITECH - STIGI	500.00		1,370,298.00
CAPITAL	HYDE PARK SQUARE	21-Nov-86	SPECIAL	HAKIM - STANFORD TECHNOLOGY	25,000.00		1,345,298.00
CAPITAL	HYDE PARK SQUARE	25-Nov-86	SPECIAL	HAKIM - LT RE ROWDY CHARLES	872.00		1,344,426.00
CAPITAL	HYDE PARK SQUARE	25-Nov-86	SPECIAL	SCITECH - STIGI	50,000.00		1,294,426.00
LONDON	HYDE PARK SQUARE	26-Nov-86	ATTORNEY	BUSINESS EXPENSE SHEA AND GARDNER	6,216.00		1,288,210.00
SHIP	DOLMY	27-Nov-86	SHIP EXPENSES	CAPTAIN ANNE HEAP	3,125.00		1,285,085.00
SHIP	DOLMY	27-Nov-86	SHIP EXPENSES	CAPTAIN ANNE HEAP	3,125.00		1,281,960.00
UNKNOWN	HYDE PARK SQUARE	28-Nov-86	UNKNOWN	ATTORNEY	20,000.00		1,261,960.00
							1,261,960.00
				TO BALANCE	(22,490.00)		1,284,450.00
					46,187,006.00	47,471,456.00	
				OTHER INCOME STANDARD TIME		2,400.00	1,286,850.00
				INTEREST INCOME		260,237.00	1,547,087.00
				BANK CHARGES	74,715.00		1,472,372.00
				TELEPHONE CHARGES	1,776.00		1,470,596.00
				OTHER BUSINESS EXPENSES	47,325.00		1,423,271.00
				OTHER MANAGEMENT FEES	882.00		1,422,389.00
				OTHER DIRECTORS FEES	23,438.00		1,398,951.00
				TAXES	128.00		1,398,823.00
				OTHER LEGAL FEES	34,000.00		1,364,823.00
				CASH BALANCE	1,364,823.00		0.00
				TOTAL	47,734,093.00	47,734,093.00	

HAKIM LEDGER -ROMA- (DETAIL) 10/29/87

PURPOSE	ACCOUNT	DATE	TYPE	TRANSACTION	DEBIT	CREDIT	BALANCE
INCOME	ENERGY RESOURCES	21-Dec-84	INCOME	(In TW)		425,000.00	425,000.00
CONTRA	ENERGY RESOURCES	28-Dec-84	ARMS	TRANSWORLD ARMS	414,357.00		10,643.00
INCOME	ENERGY RESOURCES	07-Jan-85	INCOME	CALERO		96,450.00	107,093.00
CONTRA	ENERGY RESOURCES	16-Jan-85	ARMS	TRANSWORLD ARMS	90,000.00		17,093.00
INCOME	ENERGY RESOURCES	16-Jan-85	INCOME	CALERO		337,000.00	354,093.00
INCOME	ENERGY RESOURCES	17-Jan-85	INCOME	CALERO		326,543.00	680,636.00
CONTRA	ENERGY RESOURCES	22-Jan-85	ARMS	TRANSWORLD ARMS	400,000.00		280,636.00
INCOME	ENERGY RESOURCES	29-Jan-85	INCOME	CALERO		138,000.00	418,636.00
CAPITAL	ENERGY RESOURCES	18-Feb-85	CAPITAL	HAKIM (COPP)	5,000.00		413,636.00
CAPITAL	ENERGY RESOURCES	21-Feb-85	CAPITAL	HAKIM (CASH)	20,000.00		393,636.00
CAPITAL	ENERGY RESOURCES	20-Feb-85	CAPITAL	HOREL (COPP)	22,000.00		371,636.00
CAPITAL	ENERGY RESOURCES	25-Feb-85	CAPITAL	C. TEA (COPP)	15,000.00		356,636.00
OTHER	ENERGY RESOURCES	25-Feb-85	BUSINESS	BUSINESS EXPENSE	6,506.00		350,130.00
CAPITAL	ENERGY RESOURCES	28-Feb-85	SPECIAL	SCITECH - STTGI	5,000.00		345,130.00
INCOME	ENERGY RESOURCES	05-Mar-85	INCOME	CALERO		1,199,923.00	1,545,053.00
CONTRA	ENERGY RESOURCES	06-Mar-85	AIR OPS	SOUTHERN AIR TRANSPORT	121,825.00		1,423,228.00
CONTRA	ENERGY RESOURCES	07-Mar-85	ARMS	PORTUGAL ARMS SBS CVA	353,600.00		1,069,628.00
CONTRA	ENERGY RESOURCES	11-Mar-85	ARMS	PORTUGAL ARMS SBS CVA	415,649.00		653,979.00
INCOME	ENERGY RESOURCES	14-Mar-85	INCOME	CALERO		499,909.00	1,153,888.00
CONTRA	ENERGY RESOURCES	19-Mar-85	ARMS	TRANSWORLD ARMS	600,000.00		553,888.00
UNKNOWN	ENERGY RESOURCES	20-Mar-85	UNKNOWN	HAKIM	3,000.00		550,888.00
OTHER	ENERGY RESOURCES	20-Mar-85	BUSINESS	HOREL BUSINESS EXPENSE RVS (SECORD)	5,000.00		545,888.00
CAPITAL	ENERGY RESOURCES	20-Mar-85	CAPITAL	HAKIM	3,000.00		542,888.00
CAPITAL	ENERGY RESOURCES	25-Mar-85	CAPITAL	HAKIM	3,000.00		539,888.00
INCOME	ENERGY RESOURCES	29-Mar-85	INCOME	CALERO		2,999,922.00	3,539,810.00
CAPITAL	ENERGY RESOURCES	02-Apr-85	CAPITAL	HAKIM CASH WITHDRAWAL	5,000.00		3,534,810.00
CAPITAL	ENERGY RESOURCES	03-Apr-85	CAPITAL	C. TEA	20,000.00		3,514,810.00
CONTRA	ENERGY RESOURCES	03-Apr-85	ARMS	PORTUGAL ARMS SBS CVA	300,000.00		3,214,810.00
CAPITAL	ENERGY RESOURCES	03-Apr-85	CAPITAL	HOREL (SECORD)	7,000.00		3,207,810.00
CAPITAL	ENERGY RESOURCES	05-Apr-85	CAPITAL	HAKIM	10,000.00		3,197,810.00
CAPITAL	ENERGY RESOURCES	09-Apr-85	CAPITAL	HAKIM TRANSFER	12,000.00		3,185,810.00
CAPITAL	ENERGY RESOURCES	09-Apr-85	CAPITAL	HAKIM	7,000.00		3,178,810.00
INCOME	ENERGY RESOURCES	10-Apr-85	INCOME	CALERO		1,999,104.00	5,177,914.00
CONTRA	ENERGY RESOURCES	10-Apr-85	AIR OPS	QUINTERO, R.	5,000.00		5,172,914.00
CAPITAL	ENERGY RESOURCES	11-Apr-85	CAPITAL	HOREL - TOM GREEN FINDERS FEE	45,000.00		5,127,914.00
CAPITAL	ENERGY RESOURCES	11-Apr-85	SPECIAL	SCITECH - STTGI	30,000.00		5,097,914.00
CONTRA	ENERGY RESOURCES	10-Apr-85	ARMS	TRANSWORLD ARMS	67,444.00		5,030,470.00
CAPITAL	ENERGY RESOURCES	12-Apr-85	CAPITAL	HOREL (SECORD)	118,336.00		4,912,134.00
UNKNOWN	ENERGY RESOURCES	12-Apr-85	UNKNOWN	LEGAL FEES	18,000.00		4,894,134.00
CAPITAL	ENERGY RESOURCES	12-Apr-85	CAPITAL	HOREL (SECORD)	101,927.00		4,792,207.00
CAPITAL	ENERGY RESOURCES	16-Apr-85	CAPITAL	HAKIM (TRANSFER)	50,000.00		4,742,207.00
CAPITAL	ENERGY RESOURCES	16-Apr-85	CAPITAL	C. TEA	20,000.00		4,722,207.00
CAPITAL	ENERGY RESOURCES	16-Apr-85	CAPITAL	HAKIM	3,000.00		4,719,207.00
CAPITAL	ENERGY RESOURCES	16-Apr-85	CAPITAL	HAKIM TRANSFER TO R. [illegible]	37,030.00		4,682,177.00
CONTRA	ENERGY RESOURCES	17-Apr-85	ARMS	PORTUGAL ARMS SBS CVA	150,000.00		4,532,177.00
CAPITAL	ENERGY RESOURCES	18-Apr-85	SPECIAL	SCITECH - STTGI	8,500.00		4,523,677.00
CAPITAL	ENERGY RESOURCES	19-Apr-85	CAPITAL	C. TEA (CASH)	15,000.00		4,508,677.00
INCOME	ENERGY RESOURCES	23-Apr-85	INCOME	CALERO		1,199,906.00	5,708,583.00
CAPITAL	ENERGY RESOURCES	25-Apr-85	CAPITAL	SCITECH BUSINESS EXPENSE R. PHILLIPS	5,000.00		5,703,583.00
UNKNOWN	ENERGY RESOURCES	25-Apr-85	UNKNOWN	JAN INC	1,000.00		5,702,583.00
CONTRA	ENERGY RESOURCES	25-Apr-85	ARMS	PORTUGAL ARMS PVS	10,000.00		5,692,583.00

HAKIM LEDGER (CHRONOLOGICALLY) 06/29/87

PURPOSE	ACCOUNT	DATE	TYPE	TRANSACTION	DEBIT	CREDIT	BALANCE
CONTRA	ENERGY RESOURCES	25-Apr-85	AIR OPS	QUINTERO, R.	4,000.00		5,686,583.00
CONTRA	ENERGY RESOURCES	25-Apr-85	ARMS	PORTUGAL ARMS PVS	1,556,000.00		4,132,183.00
INCOME	ENERGY RESOURCES	29-Apr-85	INCOME	CALERO		246,402.00	4,378,585.00
CONTRA	ENERGY RESOURCES	29-Apr-85	ARMS	PORTUGAL DEFEX ARMS	21,907.00		4,356,678.00
CONTRA	ENERGY RESOURCES	06-May-85	ARMS	PORTUGAL ARMS SBS CVR	2,491,700.00		1,864,978.00
CAPITAL	ENERGY RESOURCES	06-May-85	CAPITAL	HOTEL (SECORD)	5,000.00		1,859,978.00
CAPITAL	ENERGY RESOURCES	06-May-85	CAPITAL	HAKIM	3,000.00		1,856,978.00
CAPITAL	ENERGY RESOURCES	07-May-85	CAPITAL	C. TEA	116,000.00		1,740,978.00
CONTRA	ENERGY RESOURCES	08-May-85	ARMS	PORTUGAL DEFEX	60,000.00		1,680,978.00
CAPITAL	ENERGY RESOURCES	09-May-85	SPECIAL	SCITECH - STTGI	28,753.00		1,652,225.00
CONTRA	ENERGY RESOURCES	09-May-85	ARMS	PORTUGAL DEFEX	24,000.00		1,628,225.00
CAPITAL	ENERGY RESOURCES	17-May-85	CAPITAL	C. TEA	90,000.00		1,538,225.00
INCOME	ENERGY RESOURCES	21-May-85	INCOME	CALERO		80,201.00	1,618,426.00
CAPITAL	ENERGY RESOURCES	21-May-85	CAPITAL	HAKIM	250,000.00		1,368,426.00
CONTRA	ENERGY RESOURCES	22-May-85	AIR OPS	QUINTERO, R.	15,277.00		1,353,149.00
CAPITAL	ENERGY RESOURCES	24-May-85	CAPITAL	HAKIM	224.00		1,352,925.00
CONTRA	ENERGY RESOURCES	29-May-85	ARMS	TRANSWORLD ARMS	8,000.00		1,344,925.00
CONTRA	ENERGY RESOURCES	30-May-85	ARMS	PORTUGAL ARMS SBS CVR	57,500.00		1,287,425.00
INCOME	ENERGY RESOURCES	31-May-85	INCOME	CALERO		299,848.00	1,587,273.00
CAPITAL	ENERGY RESOURCES	07-Jun-85	CAPITAL	HAKIM	30,000.00		1,557,273.00
CAPITAL	ENERGY RESOURCES	10-Jun-85	CAPITAL	HAKIM	5,000.00		1,552,273.00
OTHER	ENERGY RESOURCES	14-Jun-85	CAPITAL	HAKIM - MISC TO BANK OF KOREA	5,000.00		1,547,273.00
CAPITAL	ENERGY RESOURCES	18-Jun-85	SPECIAL	SCITECH - STTGI	40,000.00		1,507,273.00
CAPITAL	ENERGY RESOURCES	18-Jun-85	CAPITAL	HAKIM	45,000.00		1,462,273.00
CAPITAL	OPEN	03-Jul-85	CAPITAL	HOTEL	210.00		1,462,063.00
CAPITAL	ENERGY RESOURCES	03-Jul-85	CAPITAL	C. TEA	25,000.00		1,437,063.00
CAPITAL	ENERGY RESOURCES	03-Jul-85	CAPITAL	HAKIM	420.00		1,436,643.00
CAPITAL	ENERGY RESOURCES	05-Jul-85	CAPITAL	HAKIM	20,050.00		1,416,593.00
INCOME	ENERGY RESOURCES	05-Jul-85	INCOME	CALERO		549,918.00	1,966,511.00
CAPITAL	ENERGY RESOURCES	10-Jul-85	CAPITAL	SCITECH - K. PHILLIPS	4,000.00		1,962,511.00
CAPITAL	ENERGY RESOURCES	11-Jul-85	SPECIAL	SCITECH - STTGI	20,000.00		1,942,511.00
CONTRA	ENERGY RESOURCES	12-Jul-85	ARMS	PORTUGAL ARMS SBS CVR	145,352.00		1,797,159.00
CAPITAL	ENERGY RESOURCES	15-Jul-85	CAPITAL	HAKIM	20,300.00		1,776,859.00
CAPITAL	ENERGY RESOURCES	16-Jul-85	CAPITAL	HOTEL (SECORD)	2,500.00		1,774,359.00
CAPITAL	ENERGY RESOURCES	16-Jul-85	CAPITAL	C. TEA	206,090.00		1,568,269.00
CONTRA	ENERGY RESOURCES	16-Jul-85	AIR OPS	QUINTERO, R.	50,000.00		1,518,269.00
CAPITAL	ENERGY RESOURCES	16-Jul-85	CAPITAL	HAKIM (NOTE)	2,500.00		1,515,769.00
CONTRA	ENERGY RESOURCES	16-Jul-85	AIR OPS	QUINTERO, R.	7,819.00		1,507,950.00
INCOME	ENERGY RESOURCES	18-Jul-85	INCOME	CALERO		550,000.00	2,057,950.00
CAPITAL	ENERGY RESOURCES	19-Jul-85	CAPITAL	HOTEL (SECORD)	7,000.00		2,050,950.00
UNKNOWN	ENERGY RESOURCES	19-Jul-85	UNKNOWN	LEGAL FEES	8,000.00		2,042,950.00
CONTRA	ENERGY RESOURCES	22-Jul-85	ARMS	PORTUGAL ARMS SBS CVR	200,000.00		2,242,950.00
UNKNOWN	ENERGY RESOURCES	22-Jul-85	ARMS-SPECIAL	DEFEX (FRIBOURG)	580,853.00		1,662,097.00
CAPITAL	ENERGY RESOURCES	22-Jul-85	CAPITAL	HAKIM	75,000.00		1,587,097.00
CAPITAL	ENERGY RESOURCES	16-Aug-85	CAPITAL	HAKIM CASH	2,943.00		1,584,154.00
INCOME	LAKE RESOURCES	23-Aug-85	INCOME	JOSEPH CHARS		65,000.00	1,649,154.00
CAPITAL	LAKE RESOURCES	23-Aug-85	CAPITAL	SCITECH	48,560.00		1,600,594.00
CAPITAL	LAKE RESOURCES	28-Aug-85	CAPITAL	HAKIM CASH	10,000.00		1,590,594.00
CONTRA	LAKE RESOURCES	29-Aug-85	AIR OPS	QUINTERO, R.	4,000.00		1,586,594.00
CONTRA	LAKE RESOURCES	30-Aug-85	ARMS	MONZER ALKASSAR	1,000,000.00		586,594.00
CAPITAL	LAKE RESOURCES	03-Sep-85	CAPITAL	HAKIM	7,000.00		579,594.00

HAKIM LEDGER [illegible]   06/29/87

PURPOSE	ACCOUNT	DATE	TYPE	DESCRIPTION	DEBIT	CREDIT	BALANCE
OTHER	ENERGY RESOURCES	09-Sep-85	TRAVEL	HOTEL INTERCONTINENTAL	2,922.00		576,662.00
CONTRA	LAKE RESOURCES	11-Sep-85	AIRCRAFT	MAULE AIRCRAFT	59,000.00		517,662.00
CAPITAL	LAKE RESOURCES	11-Sep-85	SPECIAL	SCITECH - STIGI	15,050.00		502,612.00
CAPITAL	LAKE RESOURCES	12-Sep-85	SPECIAL	SCITECH - [illegible]	2,636.00		499,976.00
CONTRA	LAKE RESOURCES	12-Sep-85	AIR OPS	QUINTERO, R.	4,000.00		495,976.00
CAPITAL	LAKE RESOURCES	17-Sep-85	CAPITAL	HUREL - MASUDI	2,000.00		493,976.00
CAPITAL	LAKE RESOURCES	17-Sep-85	CAPITAL	HUREL (SECTAR)	10,000.00		483,976.00
INCOME	LAKE RESOURCES	20-Sep-85	INCOME	FUNDS FROM SAN LUCA		1,000,000.00	1,483,976.00
CAPITAL	LAKE RESOURCES	20-Sep-85	CAPITAL	SCITECH - R. PHILLIPS	2,000.00		1,481,976.00
CAPITAL	LAKE RESOURCES	23-Sep-85	CAPITAL	HAKIM	11,500.00		1,470,476.00
CAPITAL	LAKE RESOURCES	23-Sep-85	CAPITAL	HAKIM	9,500.00		1,460,976.00
CONTRA	LAKE RESOURCES	23-Sep-85	AIRCRAFT	MAULE AIRCRAFT	4,000.00		1,456,976.00
INCOME	LAKE RESOURCES	23-Sep-85	INCOME	IC		129,936.00	1,586,912.00
CONTRA	LAKE RESOURCES	23-Sep-85	AIR OPS	QUINTERO, R.	2,378.00		1,584,534.00
CAPITAL	LAKE RESOURCES	24-Sep-85	CAPITAL	HAKIM	5,000.00		1,579,534.00
CONTRA	LAKE RESOURCES	30-Sep-85	CONTRA	CALERO	175,000.00		1,404,534.00
CONTRA	LAKE RESOURCES	01-Oct-85	ARMS	PORTUGAL ARMS SBS GM	301,498.00		1,103,036.00
CONTRA	LAKE RESOURCES	01-Oct-85	AIR OPS	QUINTERO, R.	4,000.00		1,099,036.00
CONTRA	LAKE RESOURCES	01-Oct-85	CONTRA	CALERO	25,000.00		1,074,036.00
CAPITAL	LAKE RESOURCES	01-Oct-85	CAPITAL	SCITECH	2,000.00		1,072,036.00
CAPITAL	LAKE RESOURCES	04-Oct-85	CAPITAL	HAKIM	1,500.00		1,070,536.00
INCOME	LAKE RESOURCES	11-Oct-85	INCOME	IC		99,948.00	1,170,484.00
CONTRA	LAKE RESOURCES	15-Oct-85	CONTRA	MASOURA	5,000.00		1,165,484.00
CONTRA	LAKE RESOURCES	15-Oct-85	AIR OPS	QUINTERO, R.	4,000.00		1,161,484.00
CAPITAL	HYDE PARK SQUARE	15-Oct-85	CAPITAL	HAKIM CASH	2,000.00		1,159,484.00
OTHER	LAKE RESOURCES	19-Oct-85	TRAVEL	HOTEL INTERCONTINENTAL	4,812.00		1,154,672.00
CONTRA	LAKE RESOURCES	21-Oct-85	CONTRA	ROBELO	15,000.00		1,139,672.00
CONTRA	LAKE RESOURCES	21-Oct-85	AIRCRAFT	MAULE AIRCRAFT	50,225.00		1,089,447.00
CAPITAL	LAKE RESOURCES	23-Oct-85	CAPITAL	HUREL	9,000.00		1,080,447.00
CAPITAL	LAKE RESOURCES	25-Oct-85	CAPITAL	SCITECH - R. PHILLIPS	2,000.00		1,078,447.00
CAPITAL	LAKE RESOURCES	26-Oct-85	CAPITAL	HAKIM	102,000.00		976,447.00
INCOME	LAKE RESOURCES	04-Nov-85	INCOME	IC		149,916.00	1,126,363.00
CONTRA	LAKE RESOURCES	12-Nov-85	AIR OPS	QUINTERO, R.	902.00		1,125,461.00
CAPITAL	LAKE RESOURCES	12-Nov-85	CAPITAL	HUREL CASH WITHDRAWAL	7,000.00		1,118,461.00
CAPITAL	LAKE RESOURCES	14-Nov-85	CAPITAL	HAKIM TRANSFER	43,030.00		1,075,431.00
CAPITAL	LAKE RESOURCES	14-Nov-85	CAPITAL	SCITECH TRANSFER	67,340.00		1,008,091.00
CAPITAL	LAKE RESOURCES	15-Nov-85	CAPITAL	HAKIM TRANSFER TO SENTIB	20,000.00		988,091.00
CONTRA	LAKE RESOURCES	15-Nov-85	CONTRA	ROBELO	15,000.00		973,091.00
CAPITAL	LAKE RESOURCES	15-Nov-85	CAPITAL	HAKIM	25,000.00		948,091.00
CONTRA	LAKE RESOURCES	19-Nov-85	AIRCRAFT	ACE	450,630.00		497,461.00
INCOME	LAKE RESOURCES	20-Nov-85	INCOME	FUNDS FROM ISRAEL - NIMRODI		1,000,000.00	1,497,461.00
UNKNOWN	LAKE RESOURCES	21-Nov-85	UNKNOWN	LEGAL FEES	7,500.00		1,489,961.00
CONTRA	LAKE RESOURCES	22-Nov-85	ARMS	PORTUGAL ARMS SBS GM	100,000.00		1,389,961.00
CAPITAL	LAKE RESOURCES	22-Nov-85	CAPITAL	HAKIM	21,470.00		1,368,491.00
CONTRA	LAKE RESOURCES	25-Nov-85	AIR OPS	QUINTERO, R.	4,000.00		1,364,491.00
IRAN	LAKE RESOURCES	29-Nov-85	AIR	SANTA LUCIA AIRWAYS	127,700.00		1,236,791.00
CAPITAL	LAKE RESOURCES	03-Dec-85	CAPITAL	HAKIM	4,000.00		1,232,791.00
CAPITAL	LAKE RESOURCES	03-Dec-85	CAPITAL	HAKIM	9,529.00		1,223,262.00
CONTRA	CSF INVESTMENT	10-Dec-85	AIR OPS	SOUTHERN AIR TRANSPORT	60,000.00		1,163,262.00
CONTRA	CSF INVESTMENT	13-Dec-85	ARMS	PORTUGAL ARMS SBS GM	300,000.00		863,262.00
IRAN	CSF INVESTMENT	16-Dec-85	AIR TRANSPORT	AEROLEASING	21,983.00		841,279.00

HAKIM LEDGER (AFTER 9/1/85)

06/29/87

PURPOSE	ACCOUNT	DATE	TYPE	TRANSACTION	DEBIT	CREDIT	BALANCE
CAPITAL	LANE RESOURCES	16-Dec-85	CAPITAL	HAKIM	2,286.00		838,893.00
INCOME	LANE RESOURCES	17-Dec-85	INCOME	D.		299,903.00	1,138,796.00
CAPITAL	CSF INVESTMENT	17-Dec-85	CAPITAL	C. TEA	50,400.00		1,088,396.00
CAPITAL	CSF INVESTMENT	17-Dec-85	CAPITAL	HAKIM	100,800.00		987,596.00
CAPITAL	CSF INVESTMENT	17-Dec-85	CAPITAL	HOREL	100,800.00		886,796.00
CAPITAL	CSF INVESTMENT	17-Dec-85	CAPITAL	HAKIM	82,031.00		804,765.00
CONTRA	CSF INVESTMENT	17-Dec-85	AIR OPS	QUINTERO (BUSINESS EXPENSE)	10,000.00		794,765.00
OTHER	CSF INVESTMENT	17-Dec-85	BUSINESS	BUSINESS EXPENSE	50,000.00		744,765.00
CONTRA	CSF INVESTMENT	18-Dec-85	AIR OPS	SOUTHERN AIR TRANSPORT	58,500.00		686,265.00
CONTRA	LANE RESOURCES	18-Dec-85	AIR OPS	MONTERO, J.	2,540.00		683,725.00
CONTRA	CSF INVESTMENT	27-Dec-85	AIR OPS	EAST INC	100,500.00		583,225.00
CONTRA	CSF INVESTMENT	07-Jan-86	AIR OPS	QUINTERO, R.	4,000.00		579,225.00
UNKNOWN	CSF INVESTMENT	08-Jan-86	BUSINESS	MANAGEMENT FEES	882.00		578,343.00
CONTRA	CSF INVESTMENT	08-Jan-86	AIRFIELD	JOSEPH HAMILTON (PURCHASE OF AIRFIELD)	125,000.00		453,343.00
INCOME	LANE RESOURCES	10-Jan-86	DEPOSIT	HELLER COMMUNICATIONS		60,000.00	513,343.00
CONTRA	CSF INVESTMENT	..-Jan-86	CONTRA	ROBELO	10,000.00		503,343.00
CONTRA	CSF INVESTMENT	15-Jan-86	AIRCRAFT	MAULE AIRCRAFT	5,100.00		498,243.00
CAPITAL	CSF INVESTMENT	21-Jan-86	CAPITAL	HAKIM (HOWARD RICE)	20,000.00		478,243.00
CONTRA	CSF INVESTMENT	22-Jan-86	AIRCRAFT	ACE	230,000.00		248,243.00
INCOME	LANE RESOURCES	22-Jan-86	INCOME	IDC		360,000.00	608,243.00
CONTRA	CSF INVESTMENT	22-Jan-86	AIR OPS	SOUTHERN AIR TRANSPORT	20,000.00		588,243.00
UNKNOWN	LANE RESOURCES	27-Jan-86	ARMS-SPECIAL	DEFEX (FRIBOURG)	26,174.00		562,069.00
CONTRA	CSF INVESTMENT	30-Jan-86	AIR OPS	QUINTERO, R.	4,000.00		558,069.00
CONTRA	CSF INVESTMENT	31-Jan-86	AIRCRAFT	ACE	150,000.00		408,069.00
CONTRA	CSF INVESTMENT	03-Feb-86	AIRCRAFT	MAULE AIRCRAFT	50,535.00		357,534.00
CAPITAL	CSF INVESTMENT	06-Feb-86	CAPITAL	SCITECH (ADVANCE)	100,000.00		257,534.00
CAPITAL	CSF INVESTMENT	07-Feb-86	CAPITAL	HAKIM (ADVANCE)	165,000.00		92,534.00
INCOME	LANE RESOURCES	07-Feb-86	INCOME	FUNDS FROM KHASHOGGI		2,500,000.00	2,592,534.00
IRAN	LANE RESOURCES	10-Feb-86	ARMS	CIA	1,850,000.00		742,534.00
INCOME	LANE RESOURCES	10-Feb-86	INCOME	FUNDS FROM KHASHOGGI		2,500,000.00	3,242,534.00
IRAN	LANE RESOURCES	10-Feb-86	ARMS	CIA	1,850,000.00		1,392,534.00
CAPITAL	CSF INVESTMENT	13-Feb-86	CAPITAL	HOREL	35,000.00		1,357,534.00
CONTRA	LANE RESOURCES	14-Feb-86	AIR OPS	EAST INC	10,000.00		1,347,534.00
IRAN	LANE RESOURCES	17-Feb-86	AIR	BANK OF OTSAR HA	31,500.00		1,316,034.00
CONTRA	LANE RESOURCES	17-Feb-86	AIR OPS	MONTERO, J	10,417.00		1,305,617.00
CAPITAL	CSF INVESTMENT	17-Feb-86	CAPITAL	HOREL (ADVANCE)	165,000.00		1,140,617.00
OTHER	LANE RESOURCES	17-Feb-86	BUSINESS	BUSINESS EXPENSE CASH	300.00		1,140,317.00
CONTRA	LANE RESOURCES	17-Feb-86	CONTRA	CRUZ	3,500.00		1,136,817.00
CONTRA	LANE RESOURCES	17-Feb-86	CONTRA	ROBELO	10,000.00		1,126,817.00
CAPITAL	ALBON VALUES	17-Feb-86	CAPITAL	C. TEA	15,000.00		1,111,817.00
IRAN	CSF INVESTMENT	17-Feb-86	AIR OPS	SOUTHERN AIR TRANSPORT	270,000.00		841,817.00
OTHER	LANE RESOURCES	17-Feb-86	TRAVEL	HOTEL INTERCONTINENTAL	665.00		841,152.00
UNKNOWN	LANE RESOURCES	18-Feb-86	UNKNOWN	CASH WITHDRAWAL	50,125.00		791,027.00
INCOME	LANE RESOURCES	18-Feb-86	INCOME	FUNDS FROM KHASHOGGI		5,000,000.00	5,791,027.00
INCOME	LANE RESOURCES	18-Feb-86	INCOME	FUNDS FROM SAN LOEW		1,000,000.00	6,791,027.00
CAPITAL	CSF INVESTMENT	19-Feb-86	CAPITAL	HAKIM	1,351.00		6,789,676.00
CONTRA	CSF INVESTMENT	20-Feb-86	AIR OPS	EAST INC	20,000.00		6,769,676.00
CAPITAL	CSF INVESTMENT	26-Feb-86	CAPITAL	HOREL - SHARP CREEK AND LANGFORD	1,671.00		6,768,005.00
IRAN	LANE RESOURCES	26-Feb-86	AIR OPS	SOUTHERN AIR TRANSPORT	240,000.00		6,528,005.00
CONTRA	CSF INVESTMENT	26-Feb-86	AIR OPS	QUINTERO, R.	5,000.00		6,523,005.00
CONTRA	CSF INVESTMENT	27-Feb-86	AIR OPS	EAST INC	92,440.00		6,430,565.00

HAKIM LEDGER CHRONOLOGY   [illegible]/87

PURPOSE	ACCOUNT	DATE	TYPE	TRANSACTION	DEBIT	CREDIT	BALANCE
CONTRA	CSF INVESTMENT	27-Feb-86	ARMS	PORTUGAL ARMS SBS CAF	222,000.00		6,208,565.00
CONTRA	CSF INVESTMENT	28-Feb-86	AIRCRAFT	MAULE AIRCRAFT	4,578.00		6,203,987.00
CONTRA	CSF INVESTMENT	03-Mar-86	AIR OPS	MONTERO, J	30,000.00		6,173,987.00
CONTRA	CSF INVESTMENT	04-Mar-86	AIR OPS	MONTERO, J	21,000.00		6,152,987.00
CONTRA	LAKE RESOURCES	05-Mar-86	AIR OPS	SOUTHERN AIR TRANSPORT	50,000.00		6,102,987.00
CAPITAL	GULF MARKETING	05-Mar-86	CAPITAL	HAKIM (CAPITAL INVESTMENT ACCT)	2,000,000.00		4,102,987.00
CONTRA	GULF MARKETING	05-Mar-86	AIR OPS	MONTERO, J.	30,000.00		4,072,987.00
OTHER	ALBON VALUES	06-Mar-86	BUSINESS	ACIDS	15,000.00		4,057,987.00
IRAN	LAKE RESOURCES	10-Mar-86	BUSINESS	TRANSFER TO ISRAEL	100,000.00		3,957,987.00
CONTRA	GULF MARKETING	17-Mar-86	AIRCRAFT	ALE	475,000.00		3,482,987.00
CAPITAL	GULF MARKETING	18-Mar-86	CAPITAL	HAKIM CASH	28,000.00		3,454,987.00
CONTRA	LAKE RESOURCES	18-Mar-86	CONTRA	ROBELLO	10,000.00		3,444,987.00
CAPITAL	GULF MARKETING	18-Mar-86	CAPITAL	HAKIM CASH	50,000.00		3,394,987.00
CONTRA	GULF MARKETING	21-Mar-86	AIR OPS	SOUTHERN AIR TRANSPORT	71,000.00		3,323,987.00
CONTRA	GULF MARKETING	21-Mar-86	AIRCRAFT	ACE	29,000.00		3,294,987.00
CONTRA	CSF INVESTMENT	25-Mar-86	AIR OPS	QUINTERO, R.	10,000.00		3,284,987.00
CONTRA	GULF MARKETING	03-Apr-86	AIR OPS	SOUTHERN AIR TRANSPORT (partial payment)	264,813.00		3,020,174.00
CONTRA	GULF MARKETING	03-Apr-86	AIR OPS	QUINTERO, R.	28,000.00		2,992,174.00
CONTRA	GULF MARKETING	03-Apr-86	AIR OPS	SOUTHERN AIR TRANSPORT partial payment	135,187.00		2,856,987.00
CONTRA	GULF MARKETING	07-Apr-86	ARMS	PORTUGAL ARMS SBS CSH	93,120.00		2,763,867.00
CONTRA	GULF MARKETING	10-Apr-86	ARMS	PORTUGAL ARMS SBS CSH	136,137.00		2,627,730.00
CONTRA	GULF MARKETING	14-Apr-86	AIR OPS	EAST INC	30,000.00		2,597,730.00
CONTRA	GULF MARKETING	14-Apr-86	AIR OPS	SOUTHERN AIR TRANSPORT	150,000.00		2,447,730.00
INCOME	LAKE RESOURCES	15-Apr-86	INCOME	TC		47,974.00	2,495,704.00
INCOME	LAKE RESOURCES	15-Apr-86	INCOME	TBC		649,853.00	3,145,557.00
OTHER	ALBON VALUES	17-Apr-86	BUSINESS	DIRECTORS FEES CIE SERFID	2,673.00		3,142,884.00
CAPITAL	HYDE PARK SQUARE	17-Apr-86	CAPITAL	HAKIM	3,000.00		3,139,884.00
CAPITAL	ALBON VALUES	17-Apr-86	CAPITAL	HAKIM	72,580.00		3,067,304.00
OTHER	HYDE PARK SQUARE	17-Apr-86	BUSINESS	DIRECTORS FEES	2,750.00		3,064,554.00
CONTRA	UDALL	17-Apr-86	AIR OPS	EAST INC	100,357.00		2,964,197.00
CAPITAL	UDALL	17-Apr-86	SPECIAL	HAKIM - SHARP GREEN AND LANGFORD	294.00		2,963,903.00
CONTRA	UDALL	17-Apr-86	AIR OPS	SOUTHERN AIR TRANSPORT	200,000.00		2,763,903.00
CAPITAL	ALBON VALUES	17-Apr-86	CAPITAL	HAKIM	15,000.00		2,748,903.00
UNKNOWN	ALBON VALUES	17-Apr-86	ARMS-SPECIAL	DEFEX	161,000.00		2,587,903.00
CONTRA	ALBON VALUES	18-Apr-86	AIRCRAFT	ACE	57,022.00		2,530,881.00
CONTRA	UDALL	18-Apr-86	AIR	AERO CONTRACTORS LTD	19,635.00		2,511,246.00
CAPITAL	ALBON VALUES	21-Apr-86	SPECIAL	HAKIM - STANFORD TECHNOLOGY	20,000.00		2,491,246.00
CONTRA	UDALL	21-Apr-86	AIR OPS	SOUTHERN AIR TRANSPORT	120,000.00		2,371,246.00
CAPITAL	ALBON VALUES	28-Apr-86	CAPITAL	HUREL	28,111.00		2,343,135.00
CAPITAL	ALBON VALUES	28-Apr-86	CAPITAL	HAKIM	4,975.00		2,338,160.00
IRAN	ALBON VALUES	28-Apr-86	AIR	MENT EYTAN	185,000.00		2,153,160.00
CONTRA	ALBON VALUES	29-Apr-86	AIR OPS	QUINTERO, R.	5,000.00		2,148,160.00
CONTRA	ALBON VALUES	30-Apr-86	CONTRA	ROBELLO	10,000.00		2,138,160.00
CONTRA	ALBON VALUES	30-Apr-86	CONTRA	CRUZ	7,000.00		2,131,160.00
SHIP	DOLMY	01-May-86	SHIP EXPENSES	CIE SERVIR	6,406.00		2,124,754.00
SHIP	DOLMY	01-May-86	SHIP	SHIP	31,098.00		2,093,656.00
CAPITAL	ALBON VALUES	02-May-86	CAPITAL	HAKIM	943.00		2,092,713.00
CAPITAL	ALBON	02-May-86	CAPITAL	C. TEA	2,275.00		2,090,438.00
SPECIAL	ALBON VALUES	05-May-86	ISLAND	HEATH TRUST BANK MOTOROLA	100,000.00		1,990,438.00
CAPITAL	ALBON VALUES	05-May-86	SPECIAL	SCITECH - STIGI	15,000.00		1,975,438.00
CONTRA	ALBON VALUES	05-May-86	PILOTS	GAULBERT'S CLIENT - PILOTS DAVID WALKER	110,000.00		1,865,438.00

EXHIBIT OLN-175

UNCLASSIFIED

THE WHITE HOUSE
WASHINGTON

- Involved in Seychelles
  Brit Army
  SAS Capt.
  Maj Rhodesia SAS
  Award
  Gp Leader Seychelles
  Released
  Single
  Wid 30 yr
  SA Army Rejected
- Recruited by Hoare
  Indiv good shape
  Gross [illegible]

Declassified/Released on 6 July 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

1755

EXHIBIT
OLN-175

UNCLASSIFIED

UNCLASSIFIED

75

Andy [illegible]

THE WHITE HOUSE
WASHINGTON

- Top notch planner

[redacted]

- Brit/S.A. passports
- Cut 3hrs of tape on [illegible] op
- Listen to tapes in Col. Mo.
- In S.A.
- $30-60 day op - $10-15K

Has cheaper source of ammo.

[illegible]

→ Lonsdale, Mark - N.Z.

→ Mike [illegible]

UNCLASSIFIED

UNCLASSIFIED

15

THE WHITE HOUSE
WASHINGTON

- Michael Francis Webb

    25 Jul 49

    ~~Athens~~ Gr

    Brit Cit.

- Out of prison 10 mo ago

- Job offer w/in next couple of months

- Wd. probably charge $50K for operation

- [illegible]
- NETWORK
- Bob Brown
- Rob Owen

UNCLASSIFIED

[redacted] UNCLASSIFIED [redacted]

[redacted]

[redacted]

[illegible]

- [illegible]
- [illegible]
- [illegible] Crown
- [illegible] Olsen

UNCLASSIFIED

EXHIBIT OLN-176

UNCLASSIFIED

27 Dec 84

[ ] Disc. [illegible] Clarridge re activities in Cent Am [redacted]

[redacted]

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[redacted]

Partially Declassified/Released on 6 July 1987
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by B. Reger, National Security Council

EXHIBIT
OLN-176

UNCLASSIFIED

EXHIBIT OLN-177

UN~~TOP SECRET~~CLASSIFIED

MEMORANDUM

SYSTEM IV
NSC/ICS-400215

NATIONAL SECURITY COUNCIL

N 44842

~~TOP SECRET~~

March 2, 1984

ACTION

Briefed to [illegible]
3/5
RCM

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH
CONSTANTINE MENGES

SUBJECT: Special Activities in Nicaragua

On the night of February 29, [redacted] emplaced four magnetic mines in the harbor at Corinto, Nicaragua. No attempt was made by the Sandinistas to engage the [redacted] during the mission. In accord with prior arrangements, ARDE's "Barracuda Commandos" took credit for the operation. ARDE has also declared that the entire Nicaraguan littoral is now a "war zone" and that all shipping within the Nicaraguan claimed 12nm territorial sea is subject to attack. [redacted] Our intention is to severely disrupt the flow of shipping essential to Nicaraguan trade during the peak export period. [redacted] In this case, our objective is to further impair the already critical fuel capacity in Nicaragua. This will substantially reduce EPS mobility and hamper their ability to support the ERP/FMLN guerrillas in El Salvador.

[redacted] While we could probably find a way to overtly stop the tanker from loading/departing, it is our judgement that destroying the vessel and its cargo will be far more effective in accomplishing our overall goal of applying stringent economic pressure. It is entirely likely that once a ship has been sunk

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EXHIBIT
OLN-177

N 44843

no insurers will cover ships calling in Nicaraguan ports. This will effectively limit their seaborne trade to that which can be carried on Cuban, Soviet Bloc, or their own bottoms. The following plan has been developed:

-- No legal or financial action will be taken to deter [redacted]

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[redacted]

Given past performances by Sandinista military seamen under fire (surrender or jumping overboard), there is little reason to expect that the Nicaraguan civilian crews of a gasoline laden vessel will attempt to "run for it." It is anticipated that the operation can be safely executed without injury or loss of life. No American citizens will be directly involved in the operational event.

RECOMMENDATION

That you approve this operation and brief the President using the points above.

Approve RCM   Disapprove ______

cc: Ken deGraffenreid

EXHIBIT OLN-178

UNCLASSIFIED

MEMORANDUM

NATIONAL SECURITY COUNCIL

SYSTEM II
91097

428
N 29960

October 22, 1984

~~SECRET~~

ACTION

NOTED

EXHIBIT
OLN-178

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: FDN Manual on Psychological Warfare

ADM Poindexter asked that you be provided with the four portions of the FDN Psychological Warfare Manual which contain objectionable material. Attached at Tab A are the relevant passages on pages 23, 24, 25, 26, 51, and 52 of the CIA's English translation from the original draft. The notes below are pertinent to the points in each section as indicated by underlining:

-- Page 23-24, "Shooting a Citizen." This is guidance to forces in the field who, presented with a potential compromise, are instructed on how to react. This should not be interpreted as guidance to kill civilians, but rather how to handle an incident once it has occurred. Obviously, a guerrilla force operating deep inside enemy territory cannot afford to be compromised. This section was not removed in either the FDN version or the CIA printing.

-- Page 25-26, "Selective Use of Violence for Neutralization." The word neutralize appears only in the version translated from the Spanish FDN document. The original phrase in Spanish "puden neutralizarse" was put in the manual by the author from his Special Forces (JFK Center) lesson plan which had the word "remove" instead of "neutralize."

The specific intent in psychological warfare operations is to intimidate through minimum violence and thereby convince or coerce the enemy into a position of ineffectiveness or defection. Since this concept was difficult to translate into Spanish from the original English, the author used a Spanish phrase which now has been translated back into English as "neutralize."

It must be accepted that a minimum amount of violence is necessary in order to convince the adversary that he is indeed in jeopardy, if he does not comply with the wishes of the resistance. Since this manual was used both for training and as a political action/psychological warfare tool, it was important that the FSLN perceive that they were indeed threatened by potential violence.

Partially Declassified/Released on 4/6/1987
under provisions of E.O. 12356
by B. Reger, National Security Council

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Finally, it should be noted that NSDD-138 specifically refers to "neutralizing" terrorist groups and movements as acceptable within the provisions of Executive Order 12333. We chose this word specifically because it met our requirements, short of the prohibitions contained in the E.O. This section was not removed in either the FDN version or the CIA printing.

-- Page 51, "Use of Professional Criminals." This section was removed verbatim from the lesson plan used at the JFK Center and is standard when there are undesirable activities which need to performed, but which will not point back to the resistance movement. For example, in a locale dependent on propane gas deliveries via truck transportation it may best to have a "known criminal element" blamed for destroying the shipment rather than the resistance forces. The same can be said for bank robberies which help to finance the movement and deny the Sandinistas currency. It is also useful to demonstrate the inability of the local government to control criminal behavior/activity. This section was removed en toto in the CIA version and revised the earlier FDN version to show that these functions would be performed by "activists" rather than "professional criminals."

-- Page 51-52, "Martyrs for the Cause." The manual calls for the propaganda teams to instigate disturbances/demonstrations which would lead the authorities (the Sandinistas) to react with violence. In these circumstances the psychological warfare teams are instructed to take advantage of this situation so that those who are injured/killed by the Sandinistas are portrayed as martyrs to the cause. Taken in the context of the overall document, this is not an odious exhortation. It should be expected that the resistance would indeed create, through political action, situations which the Sandinistas could only control through violence. The manual simply instructs on how to exploit this situation. The FDN deleted this section in its entirety from their version. The CIA printing left this passage unchanged.

After the briefing yesterday, Senator Wallop expressed dismay that the briefers [redacted] were "two new guys" and not those who had been involved in the project until October 1, 1984. The Director has dispatched Claire George and [redacted] to meet with Senators Goldwater and Wallop in Phoenix tonight. He also noted that the Agency was "too defensive" and "too ready to apologize." He also noted that Senator Nunn was prepared to "believe our story" but that the case had not been particularly well presented. [redacted]

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Yesterday, when I asked Wallop if he could make a statement along the lines of "I have reviewed the preliminary investigation and do not see, from what has been presented so far, any evidence of wrong doing. I am withholding further judgement until the investigation is completed and would urge others to do the same." Wallop expressed consternation that no one had asked him to make this statement before he met with the press following the briefing. As it is, his statements have been rather non-committal. He has, however, supported our position that "neutralize" does not mean "assassinate."

At this point, it would appear that we have two courses of action:

-- Encourage Goldwater and Wallop to issue a statement along the lines indicated above and hope that Moynihan and Nunn would follow suit, or at least say nothing.

-- Cause a friendly expert on psychological warfare/propaganda to publish a defense of the manual en toto, placing each of the offensive sections in context.

Director Casey's talking points at Tab B were developed along those lines. Although he and I and his task force personnel worked on this in concert, the talking points ignore the coersive effect PSY OPS are designed to have on the adversary. The fact that scores of these documents were inserted into Nicaragua by balloon and airdrop adds to the credibility of apparent harshness in its tone. Unless the Sandinistas believe that they are in jeopardy, that the FDN is capable of violence; then there is no threat. It would seem then that we should pursue both courses of action indicated above, if the story does not go away by mid-week. If, on the other hand, the matter is no longer making the front pages by Thursday, we should stop briefing and backgrounding until the IG and IOB inquéries are completed and their reports are submitted.

RECOMMENDATION

That you review the points above and the attachments and pursue the course indicated above.

Approve _____ Disapprove _____

cc: Ken deGraffenreid

Attachments
Tab A - Pages 23, 24, 25, 26, 51, and 52 CIA English Translation of FDN Manual
Tab B - CIA Talking Points

- Explain to the population that first of all this is being done to protect them, the people, not the guerrillas themselves.

- Admit frankly and publicly that this is "an act of democratic guerrillas," with the appropriate explanations.

- That this action, although not desirable, is necessary because the final objective of the insurrection is a free and democratic society, where acts of force are not necessary.

- The force of arms is a need provoked by the oppressive system, and will cease to exist when the "forces of justice" of our movement assume control.

- If, for example, it became necessary for one of the advance posts to have to shoot a citizen who was trying to leave the town or city in which the guerrillas are carrying out armed propaganda or political proselytism, the following is recommended:

- Explain that if this citizen were able to escape, he would alert the enemy near the town or city, and they would come in with reprisals such as rape, pillage, destruction, captures, etc., terrorizing the inhabitants of the place for having been attentive and hospitable to the guerrillas in the town.

- If a guerrilla shoots an individual, make the population see that he was an enemy of the people, and that they shot him because the guerrillas recognized their primordial duty, which is protecting the citizens.

- The commando tried to stop the informant without shooting, because he, like all Christian guerrillas, advocate non-violence. Having shot the Sandinista informer, although it is against his own will, was necessary to avoid repression on the part of the Sandinista government against the innocent people.

- Make the population see that it was the regime's repressive system, which caused this situation, that really killed the informant, and that the weapon fired was one that was recovered in combat against the Sandinista regime.

- Make the population see that if the Sandinista regime had ended repression, with the corruption sponsored by foreign powers, etc., the freedom commandos would not have had to take up arms to cut down the lives of their Nicaraguan brothers, which hurts our Christian feelings. If the informant had not tried to escape, he would be enjoying life together with the rest of the population, because he would not have tried to inform to the enemy. This death would have been avoided if justice and freedom existed in Nicaragua, and this is exactly the objective of the democratic guerrilla.

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N 29965

5. Selective Use of Violence for Propaganda Effects

We could neutralize carefully selected and planned-for targets, such as court judges, cattle judges [jueces de mesta], police or state security officers, CDS chiefs, etc. For purposes of the psychological effect, it is necessary to take extreme precautions, and it is essential to gather the affected population together to attend, take part in the act, and formulate accusations against the oppressor.

The target or person must be selected on the basis of the following:

- The spontaneous hostility which the majority of the population may feel against the target.
- Using potential rejection or hate on the part of the majority of the affected population against the target, rousing the population and making them see all of the individual's negative and hostile acts against the people.
- If the majority of the people supports or backs the target, don't try to change these feelings through provocation.
- Relative difficulty of handling the person who will replace the target.

The person who will replace the target must be selected carefully, on the basis of the following:

- Degree of violence necessary to effect the change.
- Degree of violence acceptable to the affected population.
- Degree of violence possible without causing damage or danger to other individuals in the area around the target.
- Foreseeable degree of reprisals on the part of the enemy towards the affected population or other individuals in the area around the target.

The mission of replacing the individual must be followed by:

- Extensive explanations to the affected population of why [this action]

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was necessary for the good of the people.

- Explaining that the Sandinista reprisals are unfair, indiscriminate, and above all, a justification for the execution of this mission.
- Carefully sounding out the reaction of the people to the mission, as well as controlling this reaction by assuring that the population's reaction is beneficial to the Freedom Commandos.

6. Conclusions

Armed propaganda includes all actions performed and the impact achieved by an armed force, resulting in positive attitudes on the part of the population towards that force, not including forced indoctrination. However, armed propaganda is the most effective instrument available to a guerrilla force.

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cma (Cadres.) will be mobilized in the largest number possible, together with individuals who have been affected by the communist dictatorship, whether it be that they have been robbed of their possessions, imprisoned, tortured or experienced any other type of aggression against themselves. They will mobilize to the areas where the (Criminal) and hostile elements of the FSLN, (CDS) and others live, making an effort to (go armed) with clubs, iron (bars), placards, and if possible small arms, which they will carry concealed.

If possible, professional criminals will be hired to carry out specific selective "jobs."

Our agitator will visit the villages where unemployed individuals may be present, as well as unemployment offices, in order to hire them for unspecified "jobs." The recruitment of the (unsavory? ....) individuals is necessary because it creates a nucleus under absolute orders.

The designated cadres will arrange in advance the transportation of the participants so as to take them to the meeting places in private or public vehicles, boats or any other means of transportation.

Other cadres will be designated to make placards, flags and banners with different types of slogans or watchwords, be they of the partial, transitory or of the more radical type.

Other cadres will be designated to prepare leaflets, posters, handbills and pamphlets so as to make the meetings more colorful. This material will contain instructions for the participants, and will also be useful against the regime.

Specific jobs will be assigned to other elements in order to create a

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martyr
"~~masses~~" for the cause, leading the demonstrators into a confrontation N 29968 with authorities, so as to provoke riots or shootings which may cause the death of one or more persons who would become martyrs, a situation which should be taken advantage of immediately against the regime so as to create greater conflicts.

6. Way of Carrying Out an Uprising in Mass Meetings

(It may be) affected by means of a small group of guerrillas infiltrated among the masses, those who will have the mission of agitating, giving the impression that they are numerous and that they have extensive popular support. Employing the tactics of a force of 200 to 300 agitators, a demonstration can be created in which 10,000 to 20,000 persons take part.

Agitation of the masses in a demonstration is carried out by means of socio-political objectives. One or several agents from our covert movement, highly trained as mass agitators, should participant in this action, involving innocent persons so as to provoke an apparently spontaneous protest demonstration. These individuals will direct the entire meeting until its conclusion.

External command. This group stays out of all activities, situated in such a way that it is able to observe the unfolding of the planned events from where it is stationed. As observation point, for example, he should look for a church steeple, a tall building, a tall tree, the highest tier of the stadium or an auditorium, or any other high place.

Internal Command. This individual will remain inside the crowd. Great importance should be given to protect the leaders of these indivi-

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DCI 29969
23 Oct 84

TALKING POINTS

Media discussion and political dialogue about this document over the last several days has focused on four brief passages. A portion of the document containing these passages has been reprinted in The New York Times. As Senators Nunn and Wallop stated yesterday, and as indicated on pages 69-71 of a copy of the manual in English, you will see that three of these four passages were deleted by the FDN. The fourth [redacted] passage, which was not removed, has been stretched beyond both its intended and its literal meaning.

To understand the significance and intended meaning of those passages, it is necessary to grasp the context in which they appear. The manual was prepared by and addressed to people who had made the fateful decision to engage in armed combat in order to resist oppression by a totalitarian regime, a resistance which the Central Intelligence Agency has been authorized and funded to assist by the President of the United States and the American Congress. The purpose of this manual is that every combatant will be "highly motivated to engage in propaganda face to face, to the same degree that he is motivated to fight," and so that the "individual political awareness, the reason for his struggle, must be as acute as his capacity to fight." It aims to make every FDN guerrilla "persuasive in face to face communication--a propagandist combatant--in his contact with the people; he must be capable of giving 5 or 10 logical reasons why, for example, a peasant must give him fabric, needle and thread to mend his clothes. When the guerrilla behaves this way, enemy propaganda will never turn him into an enemy in the eyes of the population." It goes on to deal with developing political awareness, using group dynamics, interaction with the people, "live, eat and work with the people," respect for human rights, teaching and civic action.

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It then goes on with advice on dealing with the problems any fighting force can face in handling local opposition when it visits or occupies a community. It specifies that the "enemies of the people, the Sandinista officials or agents, must not be mistreated in spite of their criminal actions even though the guerrilla forces may have suffered casualties."

There is a section headed "guerrilla arms are the strength of the people against an illegal government." This deals with protecting the guerrillas and citizens when a town is occupied. There is also a section on the training and operations of armed propaganda teams, made up of six to ten members charged with raising political consciousness within Nicaragua and personal persuasion within the population. Again, the emphasis is on education, avoiding combat if possible, "not turning the town into a battlefield."

That context puts into perspective the four passages with which the whole document and the FDN psychological operations have been characterized. Two of these four passages were deleted by the FDN.

(1) "If possible, professional criminals will be hired to carry out specific selective jobs." This was deleted by the FDN in its review.

(2) "Prior to shootings specific jobs will be assigned to other elements in order to create a martyr for the cause, leading the demonstrators into a confrontation with authorities, so as to provoke riots or shootings which may cause the death of one or more persons who would become martyrs, a situation which should be taken advantage of immediately against the regime so as to create greater conflicts." This also was deleted by the FDN.

(3) "If a guerrilla shoots an individual, make the population see that he was an enemy of the people, and that they shot him because the guerrillas recognized their primordial duty, which is protecting the citizens."

It is followed by this paragraph

"The commando tried to stop the informant without shooting, because he, like all Christian guerrillas, advocate non-violence. Having shot the Sandinista informer, although it is against his own will, was necessary to avoid repression on the part of the Sandinista government against the innocent people."

(4) "We could neutralize carefully selected and planned for targets, such as court judges (jueces de mesta), police or state security officers, CDS chiefs, etc." The lecture notes from which the document was prepared used "remove" rather than "neutralize." In the translation into Spanish "remove" became "neutralize." The American Heritage Dictionary defines neutralize as "to make ineffective: counterbalance and bring to nothing." To convert this into assassination and violation of the President's Executive Order as has been done in the media and the political dialogue is an outrageous distortion. The words "assassination" or "murder" with which the document has been labeled appear nowhere in the document.

It is important to note that these two passages (3,4) are in the context of entering or occupying a community and dealing with a situation in which actual or potential resistance remains. They are preceded by admonitions that the "enemies of the people, the Sandinista officials or agencies, must not be mistreated in spite of their criminal actions even though the guerrilla forces may have suffered casualties" and also that "whenever it is necessary to use armed force during an occupation or a visit to a town or a village," the guerrillas are to "explain to the population that first of all this is being done to protect them, the people not the guerrillas themselves" and that "this action while not desirable is necessary because the final objective of the insurrection is a free and democratic society where acts of force are not necessary."

EXHIBIT OLN-179

FILE: NOTE [redacted] WHITE HOUSE COMMUNICATIONS AGENCY UNCLASSIFIED PAGE [illegible]

N 12126

Finally, on a new subject: wd very much like to have a one-on-one w/ you in the next few days if at all possible. I have been advised by USMC that they have cut orders for me to go to 2d MARDIV this summer. This is a situation (like so many others) fraught w/ opportunity and risk. I, quite frankly don't know what to do about the situation, but will have to take some kind of action in the next few weeks. Wd very much appreciate yr good counsel on the merits/liabilities of such an assignment and advice on how to proceed. Warm regards and many thanks to both you and Jonny for the beautiful flowers.

How's It Going?
MSG FROM: NSRCM --CPUA TO: NSOLN --CPUA 03/10/86 09:05:46
To: NSOLN --CPUA

*** Reply to note of 03/10/86 08:50

-- ~~SECRET~~ --

NOTE FROM: ROBERT MCFARLANE
Subject: How's It Going?
Roger: many thanks.
How's It Going?
MSG FROM: NSOLN --CPUA TO: NSRCM --CPUA 03/11/86 07:23:36
To: NSRCM --CPUA

*** Reply to note of 03/10/86 22:10

-- ~~SECRET~~ --

NOTE FROM: OLIVER NORTH
Subject: How's It Going?
My gut response on yr scenario re North's personal situation is that I like it. There is a question as to how to make it all happen, but it wd be good to disc. w/ you after Friday. Have blocked some on my sched. Looking forward to it. As to the Gorba prob: He is aware of the high stg and is basically carrying our water on the stg since he is still the only access we have to the Iranian political leadership. It wd be useful, I believe, for you to talk w/ George Cave, the Agency's Iran expert. He shares our concern that we may be dealing only w/ those who have an interest in arms sales and their own personal financial gain and believes the "Americans are coming" approach is about the only way to broaden the perspective. We wd do well to explore other contacts if they can be opened

George is going to see what we have on this so that we can assess whether or not it wd be useful to make such an approach. He advises that if we were able to get to be w/ this message we might be able to make some headway. Will advise. If you'd like to meet w/ George, pls let me know and I will arrange. Warm regards. North BT

How's It Going?
MSG FROM: NSRCM --CPUA TO: NSOLN --CPUA 03/10/86 22:10:29
To: NSOLN --CPUA

*** Reply to note of 03/10/86 21:30

-- ~~SECRET~~ --

NOTE FROM: ROBERT MCFARLANE
Subject: How's It Going?
Roger Ollie, I guess I'm a little puzzled about the Iranian wiring diagram.

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by ?. Reger, National Security Council

EXHIBIT
OLN-179

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FILE: NOTE [redacted] WHITE HOUSE COMMEL FROM AGENCY PAGE 4

N 12127

From whom are we getting the word concerning a meeting in the Gulf? Is Gorba involved in that dialogue or is that info coming through the Israelis? It strikes me that it is probably OK to keep Gorba in the dark--to the extent that is possible to do so if there is another channel. Gorba is basically a self-serving mischief maker. Of course the trouble is that as far as we know, he is the entire lot of those we are dealing with. The Soviet threat is the strategic menace and I would guess that they would like to avoid having Russians in Iran. But it is going to take some time to get a feel for just who the players are on the contemporary scene in Teheran. So the sooner we get started the better.

I would be glad to meet to talk about he Marine Corps. I will be having lunch with Paul Nitze this Friday. How about right after that at about 2:00pm in your office?

Frankly, I would expect the heat from the Hill to become intense on you by summer. Consequently it strikes me as wise that you leave the White House. At the same time, there will be no one to do all (or even a small part of what) you have done. And if it isn't done, virtually all of the investment of the past five years will go do on the drain.

How's this for a mind-bending scenario: 1. North leaves the White House in May and takes 30 days leave. 2. July 1st North is assigned as a fellow at the CSIS and [illegible] and nobody is assigned to McFarlane's office 3. McFarlane/North continue to work the Iran account as well as to begin to build other clandestine capabilities so much in demand here and there. Just a [illegible] musing.

c How's it Going?

[redacted]

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by [illegible] Reger, National Security Council

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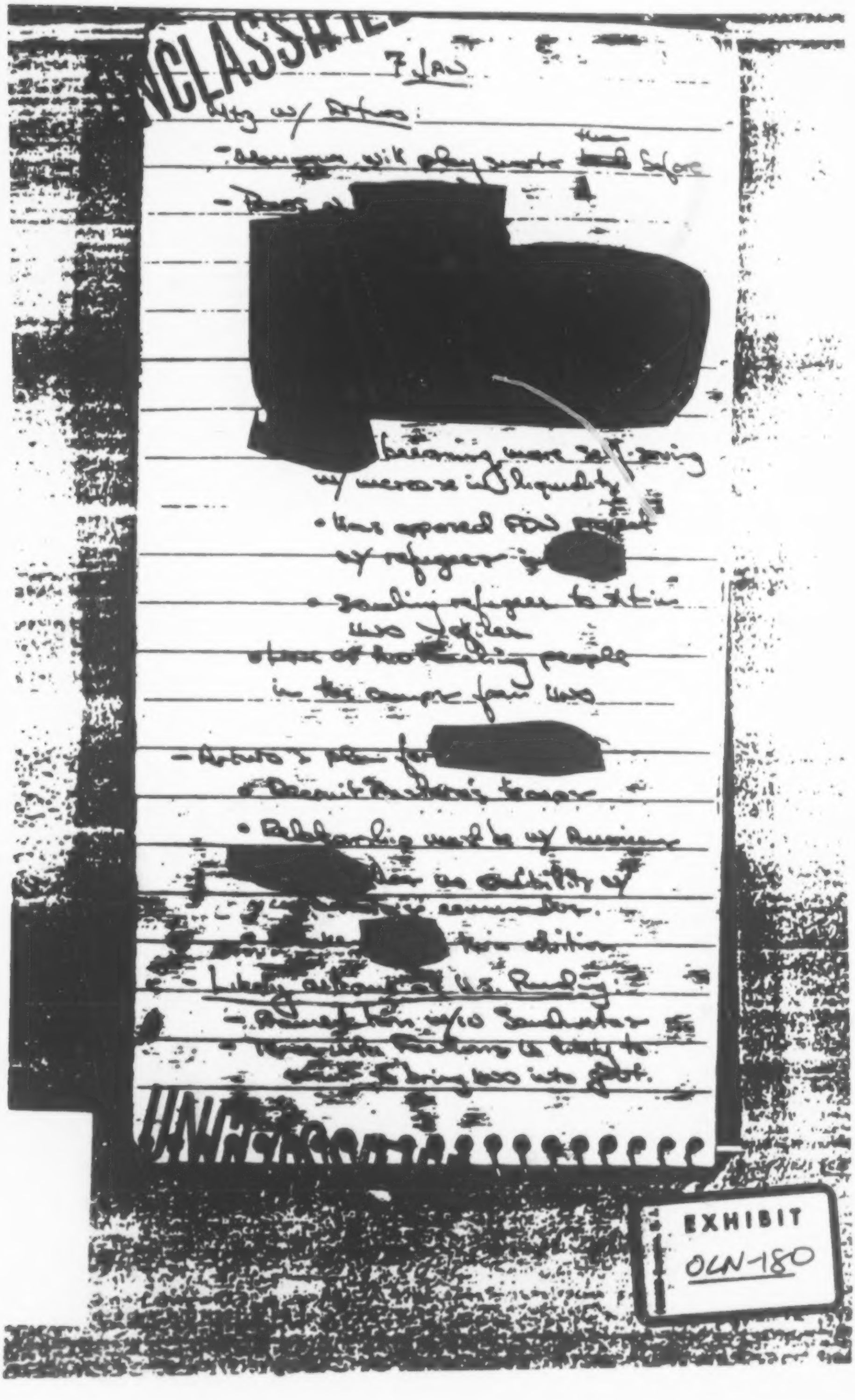
EXHIBIT OLN-180



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7 Jan

Mtg w/ [illegible]:

- [illegible] will play smarter than ~~[illegible]~~ before
- [illegible] [redacted] becoming more self-serving w/ increase in liquidity
  - has opposed FDN support w/ refugees [redacted]
  - sending refugees to sit in UNO offices
  - lots of non-fighting people in the camps from UNO
- Arturo's plan for [redacted]
  - Discredit [illegible]'s [illegible]
  - Relationship would be w/ Americans
- [redacted] [illegible] on availability of [illegible] ammunition
- [redacted] [illegible] edition
- Likely outcome of U.S. funding
  - Promotion w/10 [illegible]
  - Nicaraguan Freedom is likely to [illegible] & bring UNO into govt.

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EXHIBIT
OLN-180

EXHIBIT OLN-181

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EXHIBIT 181-UTC

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FILE: B   [illegible] WHITE HOUSE COMMUNICATIONS AGENCY   UNCLASSIFIED   PAGE 162

N 12150

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WILL DISCUSS AT LUNCH.
  J CONTRA PROJECT
MSG FROM: NSJMP   --CPUA     TO: NSOLN   --CPUA              05/08/86 10:56:36
To: NSOLN   --CPUA

*** Reply to note of 05/08/86 06:07
                                          -- SECRET --
NOTE FROM: JOHN POINDEXTER
Subject: Iran
GOOD WORK.  LET'S DISCUSS AT LUNCH.
     Iran
MSG FROM: NSJMP   --CPUA     TO: NSOLN   --CPUA              07/11/86 19:20:33
To: NSOLN   --CPUA

*** Reply to note of 07/11/86 07:27
                                          -- SECRET --
NOTE FROM: JOHN POINDEXTER
Subject: PRIVATE BLANK CHECK
GOOD WORK.  LET'S GET TOGETHER SOON TO TALK ABOUT THIS.
   PRIVATE BLANK CHECK
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[redacted]

-- SECRET --

[redacted]

NP

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NSG FROM: NSOLN   --CPUA     TO: NSJMP   --CPUA              05/23/86 15:52:52
To: NSJMP   --CPUA

*** Reply to note of 05/08/86 10:54
NOTE FROM: OLIVER NORTH
Subject: Iran
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We have had an intensive series of discussions w/ Nir, Gorba and [redacted] over the past 48 hrs. It is not clear whether Nir/Gorba are aware that we are talking directly to [redacted] Basic proposal as outlined to you over phone remains unchanged; i.e., sequential release for sequential delivery. We must,

however resolve the problem of how to provide the parts which we promised but

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N 12151

do not have in stock. [redacted] has assigned an officer to work w/ Army logistics in an effort to find (or manufacture, if necessary) the missing/wrong items. Both Gorba and [redacted] have been told not to ship the [illegible] defective/wrong parts back and that we will backhaul them on the next delivery. Copp has been told to keep a crew in readiness for a further mission and has been apprised of the general parameters of the arrangement. He notes that from a logistics perspective, the sequential arrangement is preferable in that it requires only one crew and one A/C throughout thus reducing visibility and enhancing OPSEC. We should have a better fix on availability of parts early in the week and meanwhile [redacted] have told Gorba and [redacted] that both sides should bring a technical expert familiar w/ the appropriate system to the meeting. [redacted] told Geo. this morning that it wd be best to bring an expert w/ us to Tehran for the meeting and he could see for himself what the problems are. Having discussed this proposal this a.m. w/ both Clarridge and Cave we all believe this to be the best course of action, especially if we can leave our "technical expert" and a communicator behind in Tehran. CIA is now looking for a good Ops officer who is familiar w/ the system. Dick already has one identified, but CIA wd prefer to use its own officer if they can find one. We should get back to [redacted] w/ an answer by Monday. All of us rate the risk to be relatively low, particularly given the experience we had in May. If you approve, we wd use [redacted] documents (as we did in May) and go in via the Iran Air flight to/from Frankfurt. Estimated time on mission wd be two days. We wd plan to go over a weekend to reduce visible absence fm D.C. RRS SUBJECTS:

[redacted]

Deny

Deny

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FILE: OPSLOG11 AO WHITE HOUSE COMMUNICATIONS AGENCY UNCLAS PAGE 160

N 12152

DENY

N.R

NON RELEVANT

[redacted]

NP

[redacted]

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EXHIBIT OLN-182

EXHIBIT
OLN-182

~~TOP SECRET~~ [redacted]
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N 18335

[redacted]

*TEXT: RWHB6 [redacted] -- WHITE HOUSE COMMUNICATIONS AGENCY   PAGE [illegible]

[redacted]

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MSG FROM: NSJMP   --CPUA     TO: NSOLN   --CPUA              04/21/86 17:05:52
To: NSOLN  --CPUA

*** Reply to note of 04/21/86 15:52
                                -- SECRET --
NOTE FROM: JOHN POINDEXTER
Subject: Iran
```

Yes, I know about Sam. I spoke to [illegible] this morning. I also talked to the President about it. We are making arrangements for interment at Arlington. It is very sad. Makes you realize how vulnerable we are.

On the hostages -- I just don't know. One of the things that has concerned me for some time was the report that you got from Copp about how the parts wouldn't really help their problem for lack of test equipment, not ordering all of the right parts and the lack of knowledge of the system. If we get into a sequential arrangement, we really have to be prepared to deliver a lot more material and arrange a rather continuing technical arrangement. Of course that could all be done, but after the hostages are released. I just don't see how we can have such a continuing relationship until that happens. On the Syrian angle, [redacted] we could make clear that if we get all of the hostages back that we want to accomplish the same long term goal that they do -- a better relationship with Iran. Before we agree to a sequential arrangement I think we ought to [illegible] out our commitment on the 240 -- that alone will help establish our good faith that we aren't trying to cheat them. Then we should wait a bit and see what [redacted] channel delivers. We should [redacted] keep talking [redacted]

(4)

[redacted]

```
    Iran                                                                    8
MSG FROM: NSOLN   --CPUA     TO: NSJMP   --CPUA              04/21/86 15:52:52
To: NSJMP   --CPUA

*** Reply to note of 04/04/86 18:54
NOTE FROM: OLIVER NORTH
Subject: Iran
```

We have had an intensive series of discussions w/ Nir, Gorba and [redacted] over the past 48 hrs. It is not clear whether Nir/Gorba are aware that we are talking directly to [redacted] Basic proposal as outlined to you over phone remains unchanged; i.e., sequential release for sequential deliveries. We must,

however resolve the problem of how to provide the parts which we promised but do not have in stock. [redacted] has assigned an officer to work w/ Army logistics in an effort to find (or manufacture, if necessary) the

~~TOP SECRET~~ [redacted]
UNCLASSIFIED

[redacted]

640

Partially Declassified/Released on 12 MAY 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

EXHIBIT OLN-183

EXHIBIT
OLN-183

[illegible] NSOLN --CPUA TO: NSJMP --CPUA [illegible]
To: [illegible] --CPUA

~~TOP SECRET~~ [redacted] UNCLASSIFIED

*** Reply to note of 09/17/86 14:35
NOTE FROM: OLIVER NORTH
Subject: Iran

[redacted]

Iran

N 12605

MSG FROM: NSOLN --CPUA TO: NSJMP --CPUA 09/20/86 12:04:15
To: NSJMP --CPUA

*** Reply to note of 09/17/86 14:35
NOTE FROM: OLIVER NORTH
Subject: Iran
Talks going extremely well. They and we want to move quickly beyond the "obstacle" of the hostages. Sincerely believe that RR can be instrumental in bringing about an end to Iran/Iraq war - a la Roosevelt w/ Russo/Japanese war in 1906. Anybody for RR getting the same prize? New Subject: [redacted] V/r, North

Iran
MSG FROM: NSJMP --CPUA TO: NSRGK --CPUA 09/22/86 15:33:56
To: NSRGK --CPUA

698

*** Reply to note of 09/22/86 10:55
-- SECRET --

[redacted]

*** Reply to note of 09/22/86 09:22
-- SECRET --

May 12, 1987

NOTE FROM: JOHN POINDEXTER
Subject: Iran
Well done.

Iran

UNCLASSIFIED

MSG FROM: NSJMP --CPUA TO: NSOLN ~~TOP SECRET~~ [redacted] 09/22/86 15:41:55

Exhibit OLN-184

EXHIBIT
OLN-184

UNCLASSIFIED
N-12615

m: OLIVER NORTH
Subject Public Affairs Campaign on Central Amer a

[redacted]

Public Affairs Campaign on Central America
MSG FROM: NSOLN --CPUA TO: NSJMP --CPUA 09/26/86 09:47:40
To: NSJMP --CPUA

*** Reply to note of 09/10/86 13:15
NOTE FROM: OLIVER NORTH
Subject: Iran
This morning, immediately after the VOA broadcast of our PA-73 message [redacted] deposited $7M in the numbered Swiss Account we gave him last week. The money

N 12615

Partially Declassified/Released on 6 July 1987
under provisions of E.O. 12356
by [illegible] Reger, National Security Council

1lole8

FILE: SRP06 [redacted] AO WHITE HOUSE COMMUNICATIONS AGENCY

will be transferred by noon (EDT) to another account in another bank. In order to save time, I have told Dick to pay CIA's account for the remaining HAWK parts and the 500 TOWs so that they can be assembled, packed and moved to [redacted] UNODIR, CIA will commence acquisition as soon as they receive the money -

t jh nothing will be shipped to final destination until we have had the

~~TOP SECRET~~ [redacted]

JMP 3A/159

UNCLASSIFIED

EXHIBIT OLN-185

UNCLASSIFIED

EXHIBIT
OLN-185

FILE: 3n266 [redacted] WHITE HOUSE COMMUNICATIONS AGENCY

OLN TO JMP 9/26/86 1847:22

To: NSJMP --CPUA

*** Reply to note of 09/26/86 19:24
NOTE FROM: OLIVER NORTH

[redacted]

R
09/26/86 18:49:55

To: NSJMP --CPUA JOHN M. POINDEXTER

JMP 3/176 ①

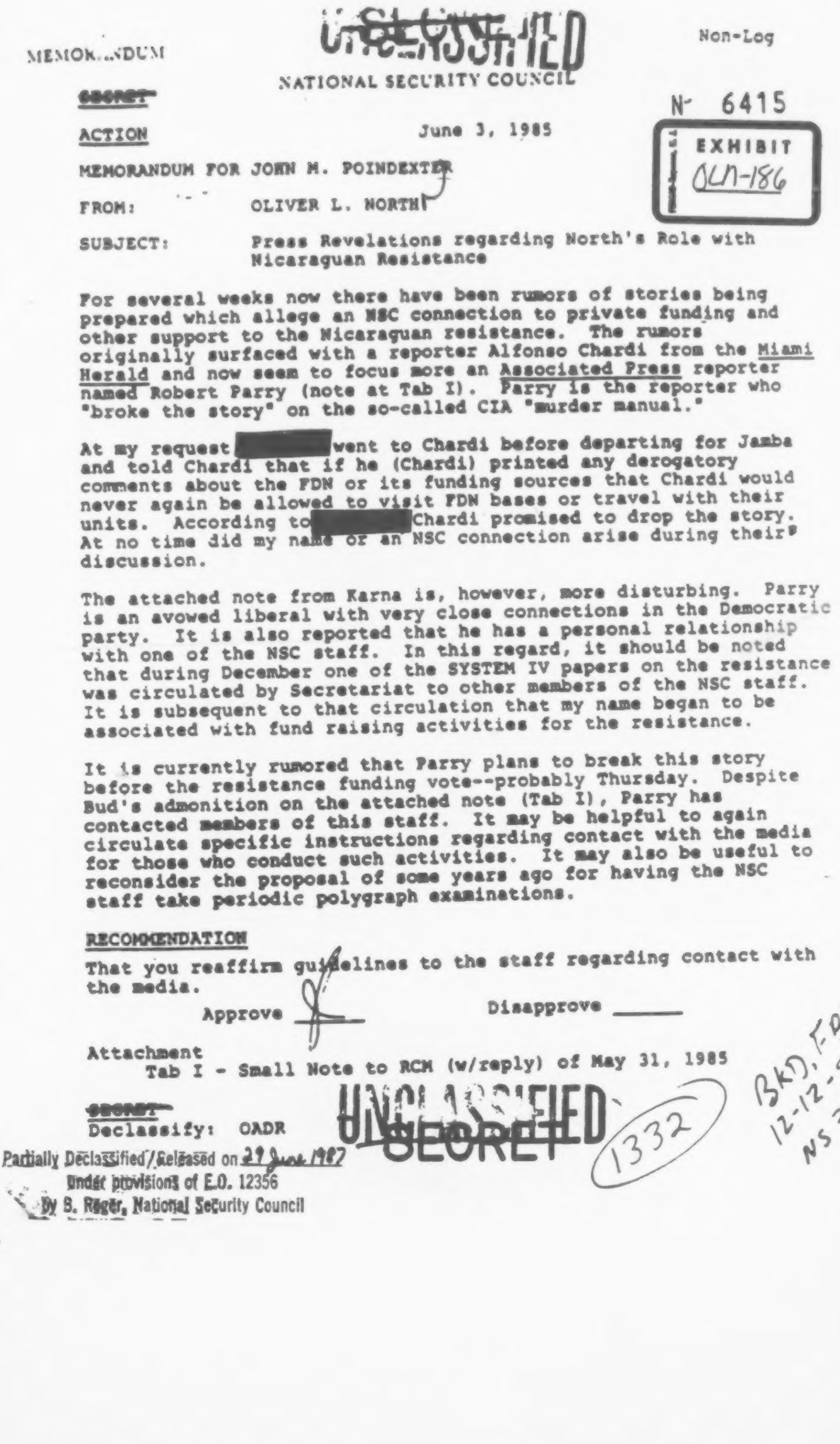
NOTE FROM: BOB PEARSON
Subject: AUTHORIZATION CONFERENCE
*** Forwarding note from NSBKS --CPUA 09/26/86 18:49 ***
JOHN M. POINDEXTER
To: NSRBM --CPUA JOHN M. POINDEXTER NSJMP --CPUA
NOTE FROM: Ron Sable

693

May 12, 1987
Council

UNCLASSIFIED

EXHIBIT OLN-186



MEMORANDUM

UNCLASSIFIED

NATIONAL SECURITY COUNCIL

Non-Log

~~SECRET~~

N- 6415

EXHIBIT
OLN-186

ACTION

June 3, 1985

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: OLIVER L. NORTH

SUBJECT: Press Revelations regarding North's Role with Nicaraguan Resistance

For several weeks now there have been rumors of stories being prepared which allege an NSC connection to private funding and other support to the Nicaraguan resistance. The rumors originally surfaced with a reporter Alfonso Chardi from the Miami Herald and now seem to focus more an Associated Press reporter named Robert Parry (note at Tab I). Parry is the reporter who "broke the story" on the so-called CIA "murder manual."

At my request [redacted] went to Chardi before departing for Jamba and told Chardi that if he (Chardi) printed any derogatory comments about the FDN or its funding sources that Chardi would never again be allowed to visit FDN bases or travel with their units. According to [redacted] Chardi promised to drop the story. At no time did my name or an NSC connection arise during their discussion.

The attached note from Karna is, however, more disturbing. Parry is an avowed liberal with very close connections in the Democratic party. It is also reported that he has a personal relationship with one of the NSC staff. In this regard, it should be noted that during December one of the SYSTEM IV papers on the resistance was circulated by Secretariat to other members of the NSC staff. It is subsequent to that circulation that my name began to be associated with fund raising activities for the resistance.

It is currently rumored that Parry plans to break this story before the resistance funding vote--probably Thursday. Despite Bud's admonition on the attached note (Tab I), Parry has contacted members of this staff. It may be helpful to again circulate specific instructions regarding contact with the media for those who conduct such activities. It may also be useful to reconsider the proposal of some years ago for having the NSC staff take periodic polygraph examinations.

RECOMMENDATION

That you reaffirm guidelines to the staff regarding contact with the media.

Approve J Disapprove ______

Attachment
Tab I - Small Note to RCM (w/reply) of May 31, 1985

~~SECRET~~
Declassify: OADR

UNCLASSIFIED
~~SECRET~~

1332

BKD, FBI
12-12-86
NS 30

Partially Declassified/Released on 29 June 1987
Under provisions of E.O. 12356
By B. Reger, National Security Council

[illegible] Ollie [illegible]
[illegible] John Poindexter

THE WHITE HOUSE

WASHINGTON

May 31, 1985

N 6416

MEMORANDUM FOR BUD MCFARLANE

FROM: KARNA SMALL

SUBJECT: Press request

Bob Parry, AP (who can be tough, but has awfully good sources) is working on a big piece on "the national security council involvement in Nicarag with respect to funding by private, outside groups." He says he understands there was a qualitative change made after latest Boland language last Oct., authorized by the Pres., to change the manner in which Ollie North handled outside contacts -- to be more at arms length. He says he knows about Ollie's involvement and is going to use Ollie's name in the story. He has a request in to talk to: North, Menges and Tillman. He also has one question for you -- he requests a phone call from you between now and early next week (I didn't hold out much hope for that). He says his question for you is:

> "It's my understanding that some day at end of 1983 or beginning of 1984, Reagan instructed McFarlane orally to arrange for private and other outside, non-USG funding for contras. Is that true? And what comment does McFarlane have about it?"

What should I tell him: It is absolutely untrue -- in fact the guidance was firmly to the contrary; that is that t would be no solic by any USG offic

Also, is there anyone on the staff you would wish him to talk to? Tillman? etc.

No

Thanks

(Parry: Office: 828-6448, Home: 920-7521)

Exhibit OLN-187

EXHIBIT
OLN-187

(217)
5 May 1987

FILE: NOTE [redacted] AS WHITE HOUSE COMMUNICATIONS AGENCY PAGE 013

N 12086

[redacted]

-- SECRET --

[redacted]

TO: NSJMP 11/09/8' 13:05:2

[redacted]

-- SECRET --

NOTE FROM: OLIVER NORTH
Subject: RESTRICTED DISTRO OF NSA PRODUCTS
No problem. Through Charlie Allen (who set up coverage) we have told NSA

Who the hell does Odom think he is?

[redacted]

EXHIBIT OLN-188

EXHIBIT
OLN-188

395

N 12112

FILE: NOTE [redacted] AO WHITE HOUSE CO...UNICATIONS AGENCY UNCLASSIFIED PAGE 050

$10,000 per TOW available and that Gorba probably lied to Schwimmer and that Schwimmer probably lied to Nir as to how many there are available. Nir is fully prepared to proceed any way we wish but noted that time is rapidly running out. [redacted]

PRIVATE BLANK CHECK

MSG FROM: NSOLN --CPUA TO: NSJMP --CPUA 01/15/86 10:37:07
To: NSJMP --CPUA

*** Reply to note of 08/31/85 13:26

— SECRET —

NOTE FROM: OLIVER NORTH
Subject: PRIVATE BLANK CHECK

Nir just called again. He has advised that he believes the GOI is about to formally withdraw its offer to assist on this matter so that it cannot be blamed when the AMCITS are killed. I asked him about the rumor that one had already been killed. He replied that it was probably another of the Jews since they (Hizballah) will undoubtedly kill the Jews first to make their point.

I then asked Nir to reconfirm, the requirements as he understood them. He said that the Iranians want 4000 TOWs, 25 Lebanese released by Lahad and the AMCITs and any surviving Jews wd be released along w/ the Brit if they (the IRG) can still find him.

The Israelis are very very concerned that they cannot make a delivery of 1000 TOWs w/o a promise to replenish. Nir points out that he is operating in an environment which is very hostile since the USG never made good on its promise to promptly replenish the original 504 TOWs that they shipped in September and that if we had but sent those 500 promised it might have been possible to take the further risk of another 1000.

IAW instructions have invited Sec W'bgr to mtg w/ Casey in yr ofc at 1700 on Thursday. It is my sense that by that time we will have a msg to the GOI that they are withdrawing their offer. Is it possible to arrange a secure conference call tonight to see if we can make this work? V/R North

PRIVATE BLANK CHECK

MSG FROM: NSOLN --CPUA TO: NSJMP --CPUA 01/15/86 22:29:26
To: NSJMP --CPUA

*** Reply to note of 08/31/85 13:26

-- SECRET --

NOTE FROM: OLIVER NORTH
Subject: PRIVATE BLANK CHECK

Per instructions, I called DCM Re understandings on the original 508 TOWs shipped by Israel to Iran. As I understood it, there was a USG commitment to SELL, over time, replacements to the Israelis for what they sent for Weir. We DO, according to DCM have a commitment to make this SALE. We did NOT have any agreement on prices or ultimate dates, though it was understood by both sides that the transaction wd be concluded promptly.

As I understand the current problem w/ the purchase of the 508:

-- The Israelis received funds adequate to purchase only the [redacted] TOW. Whether this is because Schwimmer pocketed the rest or whether there was a kick-back t[redacted] neither Nir nor I know. Gorba told me that he had paid $10000 apiece for these weaps and

7 May 1987

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Partially Declassified/Released on 5/6/87
under provisions of E.O. 12356
by ? Reger, National Security Council

UNCLASSIFIED

N 12113

FILE: NOTE [redacted]AO UNITD NO ( )MMUNICATIONS AGENCY

pocketed $500 for each one delivered.

-- When the Israeli purchasing office in NYC, following their normal procedures, made inquiries w/ the Army Materiel Command (AMC) as to the availability and price of basic TOWs, the AMC immediately began to question why the IDF wanted to revert to the basic model which was no longer in production and the IDF has already begun purchases of the I TOW for their inventory upgrade. AMC noted that there was an "understanding" with the Mfgr not to compete w/ the production line by selling the older weaps fm army stocks and that selling fm Army stocks wd be the only source available for the basic TOW. At this point, the purchasing office terminated the inquiry since they believed that the purchase wd raise so many questions that it wd leak and complicate further action which, by then, was in the planning stages. The Israelis have made no further effort to purchase the basic TOWs but have been told in an unsolicited call from AMC that the basic model wd have to be the same price as the I TOW so that the AMC can recover replacement costs.

-- Nir continues to be apprehensive about going back in to ask his people to ship w/o some kind of guarantee of replenishment whether or not it succeeds in getting the hostages out. He is going to get back to me at 0100 PST re results of his meeting w/ the P.M. I passed yr msg verbatim to include He laughed and noted that the IDF would have even greater reasons if the hostages were killed rather than released, then there are some who have argued against proceeding on this tack any further since it jeopardizes Israel w/ no promise of return.

At this point I believe that we could proceed along the following lines. Nir goes directly to Gorba (cutting out Schwimmer) and gets $10M for 1000 basic TOWs. He then sends 1000 basic TOWs fm Israeli stocks to Iran. Hopefully the hostages are then released. He gives Secord whatever the FMS price is for 500 TOWs from the $10M (should be about $2.0M). Secord then buys and ships 500 TOWs to Israel as replacement for the first exchange (Weir). This process wd at least provide the IDF w/ one third of what they had withdrawn from inventory. It is important to note that in my last discussion with Nir (he doesn't sleep either) he is very concerned about credibility all around. He noted that before they shipped the first 500, they had what they believed to be an ironclad promise to allow them to buy replacements but that all along the way there have been obstacles. He has confided that part of the pressure is indeed political in that he is concerned about a leak inside the cabinet from someone who is disaffected over the drawdown of stocks, but if we wanted him to push for it he would. I believe that Nir himself is both so exhausted and in such jeopardy of losing his job over this that he may no longer be functional. I do not believe that Nir is lying to us. I do believe he is sincerely concerned about the outcome and wants to do what he can -- for both Israel and the US. He has promptly agreed to every proposal we have made to date except the final one of shipping 1000 TOWs w/o promise of replenishment. He will be back to us. Will advise.

PRIVATE BLANK CHECK

NSC FROM: NSOLN --CPUA TO: NSJMP --CPUA 01/16/86 13:39:36
To: NSJMP --CPUA

*** Reply to note of 01/16/86 09:27

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396

EXHIBIT OLN-189

UNCLASSIFIED

Non-Log

NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

N 1255

May 9, 1986

~~TOP SECRET~~

SENSITIVE

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting with DDO

CIA Employee.

North and Earl met with Claire George, Burt Dunn, [redacted] George Cave, and [redacted] to review status of the project. Claire had some basic questions:

1. What should the role of the Israelis be in this? Their aircraft or ours?
2. What is our overall strategy? What do we want at the end of it (i.e., beyond return of the hostages)?
3. [redacted]

North answered the first question by relating the substance of his conversation with the Israelis in New York last night. The Israelis want to be there and have offered two 707s. North pointed out that the Israelis provide some degree of plausible deniability if the project unravels. Claire agreed to Israeli participation. Nir will accompany the party to T. Thus, that party will be six persons: Bud, North, Teicher, Cave, communicator, and Nir.

North answered question #2 by pointing out that our long-term objective was to end the Iran-Iraq war. Specific objectives in the near-term were to get the Iranians [redacted] and to get them to cut off their oil to Nicaragua.

Question #3 was addressed in terms of the intel package being developed by Cave and Dick . North wants it jazzier, more photos, more reports of ev Soviet deeds against Muslims and mosques, etc. George will be the translator on this and needs to get together with Bud and North for a couple practice sessions before departure. The objective is to string this out (not just a two-hour slam bam, thank you ma'm). George suggested the theme that the Soviets are "one idea" people and that you (Iran) are OK now so long as the Soviets are preoccupied in Afghanistan. But afterwards, watch out.

We should also ask them for their views of the Afghan war. We should take along photos, but not leave them with the Iranians. (CIA action)

~~TOP SECRET~~
Declassify: OADR

UNCLASSIFIED

SENSITIVE

806

EXHIBIT
OLN-189

UNCLASSIFIED
SECRET

Documentation: All will have [redacted] (except Bud). Nir does his own documents.

Aircraft routing: Dick's aircraft (C-130?) will pick up the parts at [redacted] and fly directly to Israel. The party will fly by [redacted] military Gulfstream to Israel. A sample of the parts and the party marry up there and fly to T on an Israeli aircraft (with Israeli involvement agreed, no need to go via Frankfurt).

North reviewed the idea of giving the Iranians a few options for delivering the hostages -- e.g., a Western Embassy in West Beirut, our Embassy in East Beirut, a church, etc. [redacted] The party should plan to ask for the return of Buckley's remains as well as those of the two Israelis.

Claire raised the contingency of the Iranians trying but being unable to deliver the hostages -- what does the party do then? North acknowledged the possibility; we've given them 48 hours (from time of the party's arrival in T) to safely deliver the hostages. We probably don't give them the parts and radars, but we also probably don't want to "go away mad" and give up the opportunity to develop some sort of on-going relationship.

Claire hopes that the party will be able to plant the seed of giving the Iranians a [redacted] Point out problems to date with dealing through intermediaries. Point out problems with the spare parts list they have developed -- that we don't believe this will entirely solve their problems. Suggest on-going dialogue. Suggest a visit by a few technical experts who might help identify and solve their equipment problems. [redacted]

Some modest U.S. gifts ought to be taken along (e.g., Colt .45 replicas?) DDO will fund.

Claire wanted to ensure that Weinberger, Casey, and Shultz would all be briefed on the project (particularly regarding his second question, long-term goals).

A problem has arisen on the radars -- they are more expensive than estimated (i.e., $5K each vice $3K?), and only Phase II radars are immediately available. Two phase I radars are currently sitting in a warehouse in Pennsylvania, but it is unclear if we can get these released (e.g, to Israel?). Approval from several U.S. agencies might be required: Customs, Justice, State, DOD, and the Iranian claims commission...(CIA action).

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WASHINGTON ... 20506

1235

N 1257

SENSITIVE

[redacted]

Loose Ends: First deposit hasn't hit yet... Nailing down the exact costs. Solving the phase II/phase I problem. Developing a response to the Iranians not being able to deliver (or to a partial delivery). Ensure the intel package is up to speed.

[redacted]

~~TOP SECRET~~

UNCLASSIFIED

SENSITIVE

EXHIBIT OLN-190

To	Name and Address	Date	Initials
1	JOHN H. POINDEXTER 5/14		
2			
3			
4			
5			
6			

ACTION	FILE
APPROVAL	XX INFORMATION
COMMENT	PREPARE REPLY
CONCURRENCE	RECOMMENDATION
DIRECT REPLY	RETURN
DISPATCH	SIGNATURE

REMARKS

[redacted]

NSC/ICS CONTROL NO 40193

COPY NO 1 OF 3

HANDLE VIA SYSTEM IV CHANNEL ONLY

EXHIBIT
OLN-190

NSC INTELLIGENCE DOCUMENT

Warning Notice
Intelligence Sources and Methods Involved

NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

CVM-BOX 1-5
adq 4/20/87

[redacted]

UNCLASSIFIED ~~TOP SECRET~~ [redacted] [redacted]

11005

NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

~~TOP SECRET~~/[redacted]/SENSITIVE

INFORMATION

May 14, 1986

Partially Declassified/Released on 22 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: VINCENT M. CANNISTRARO

SUBJECT: Agenda for Your Weekly Meeting With the DCI, Thursday, May 15, 1986

You are scheduled to meet with Director Casey and Deputy Director Gates in your office at 5:00 p.m. on Thursday, May 8, 1986. The following items are on the agenda, according to the DCI's staff:

[redacted]

~~TOP SECRET~~/[redacted]/SENSITIVE
Declassify on: OADR

UNCLASSIFIED

N 43471

1192

~~TOP SECRET~~ [redacted]

UNCLASSIFIED

[redacted]

-- Status of Ollie's Ship. Ollie has offered the use of a Danish vessel for [redacted] He first offered CIA a six month lease. CIA told me that they thought it was too expensive, and the cost and time involved in refitting the vessel for a [redacted] mission made the alternative option of outfitting a CIA owned vessel more attractive. Ollie then offered to take [redacted] from his vessel, using his own resources. [redacted] has told me that because of the alleged involvement of one Tom Clines (who was involved in Wilson and Terpil era), CIA will have nothing to do with the ship. Frankly, I can't tell whether this is just a convenient reason not to do what CIA was opposed to doing in the first place, or whether the concern about Cline is legitimate. In any event, Casey has a briefing paper on this which he will use if the subject is raised.

You may wish to raise the following item:

[redacted]

UNCLASSIFIED

~~TOP SECRET~~ [redacted]

EXHIBIT OLN-191

FILE: MAY86 [redacted]AO WHI HOUSE COMMUNICATIONS AGENCY

UNCLASSIFIED

NSMRT --CPUA NSVHC --CPUA
* Memo on Combatting Terrorism
MSG FROM: NSJMP --CPUA TO: NSOLN --CPUA 05/15/86 21:21:50
To: NSOLN --CPUA OLLIE NORTH

-- SECRET --

NOTE FROM: JOHN POINDEXTER
SUBJECT: BE CAUTIOUS
IN A MEMO FROM KEN TO ME TODAY HE TALKS ABOUT YOUR OFFERING A DANISH SHIP UNDER YOUR CONTROL TO CIA FOR BROADCASTING INTO I AM AFRAID YOU ARE LETTING YOUR OPERATIONAL ROLE BECOME TOO PUBLIC. FROM NOW ON I DON'T WANT YOU TO TALK TO ANYBODY ELSE, INCLUDING CASEY, EXCEPT ME ABOUT ANY OF YOUR OPERATIONAL ROLES. IN FACT YOU NEED TO QUIETLY GENERATE A COVER STORY THAT I HAVE INSISTED THAT YOU STOP.
* BE CAUTIOUS
MSG FROM: NSJMP --CPUA TO: NSRBM --CPUA 05/16/86 09:05:51
To: NSRBM --CPUA ROD MCDANIEL

-- SECRET --

5/6/87

EXHIBIT
OLN-191

N 18735

448

JMP

UNCLASSIFIED

UNCLASSIFI

NOTE FROM: OLIVER NORTH -- ~~SECRET~~ -- N 4952
Subject: BE CAUTIOUS
Done

5/6/87

(449)

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N 1847
12/31

EXHIBIT OLN-192

-- ~~SECRET~~ --

UNCLASSIFIED

N 12533

NOTE FROM: JOHN POINDEXTER
Subject: IRAN AND TERRORISM
GO AHEAD AND WORK UP THE PAPER NEEDED FOR THE $15M REPROGRAMMING. [illegible] WILL CALL IS TO CHECK WITH MICHEL AND CHENEY TODAY. I UNDERSTAND YOUR CONCERN AND AGREE. I JUST DIDN'T WANT YOU TO BRING IT UP AT NSPG. I GUESSED AT WHAT YOU WERE GOING TO SAY. DON REGAN KNOWS VERY LITTLE OF YOUR OPERATION AND THAT IS JUST AS WELL.
IRAN AND TERRORISM
MSG FROM: NSJMP --CPUA TO: NSPWB --CPUA 05/19/86 10:00:05

5/4/87

JMP 8161 @ (461)

EXHIBIT
OLN 192

UNCLASSIFIED

EXHIBIT OLN-193

03/19/86 12:01 -- ~~SECRET~~ - UNCLASSIFIED

NOTE FROM: JOHN POINDEXTER
Subject: IRAN AND TERRORISM
I HAVE PROBLEMS WITH THIS PLAN. AN A/C REQUEST IS TOO CLOSELY LINKED TO WHAT I
S HAPPENING. I DON'T SEE HOW WE CAN USE A MILITARY A/C. WHY DO YOU HAVE TO ST
AY SO LONG IN ISRAEL? I HAD IN MIND YOU WOULD TRAVEL SEPARATELY, RDVU IN ISRAE
L AT A COVERT LOCATION, AND PROCEED TO IRAN. I DON'T WANT A MEETING WITH MR. S
HULTZ AND WEINBERGER.

N 12534

(455)

JMP 8/80 (18)

[illegible] on 5/6/87
[illegible] 12356
[illegible] Security Council

EXHIBIT
OLN-193

UNCLASSIFIED

EXHIBIT OLN-194

to note of 05/20/86 18:10

-- ~~SECRET~~ -- UNCLASSIFIED

NOTE FROM: OLIVER NORTH
SUBJECT: IRAN AND TERRORISM

This is further to transportation arrangements for BCM & party: Cave & Teicher & Communicators will depart IAD aboard Private (Democracy INC.) G-3, stops in ___ to p/u BCM. G-3 Proceeds direct to [redacted] military airfield, North [redacted] picked up ___ by Lear 35 owned by Democracy INC. European subsidiary. Lear 35 drops North at commercial side of ___ North passes thru customs/immigration as Goode, proceeds to military side to rfm w/ BCM party.

N 12536

BCM party
On arrival at ___ offloads from G-3, transloads to ___ 707 (if available) or to chartered Swiss Challenger a/c for direct flight to Tel Aviv. Still having ___ clearance problems for bringing G-3 into ___ w/o customs/immigrations clearance.

462

Partially Declassified [illegible] 5/6/87
[illegible]

JMP 8/98 23

INCLASS

N 12537

REVGG [redacted] TO WHITE HOUSE COMMUNICATIONS AGENCY UNCLASSIFIED PAGE 0

0300, and have dinner shortly thereafter. [redacted] only state at
operation - as is who today provided recommended turnover
s for hostages. We have sent one of our Secretary IDC couriers to deliver
t schedule and turnover info to Secord in London. Secord scheduled to go to
in on Thursday. Copp departure for Geneva/Tel Aviv postponed 24 hrs to
inal schedule in order to complete coordination of RCM flight planning.
is still on schedule to depart there [redacted] London.
plete ops plan and annexes being prepared for yr use during op. Will
are in advance necessary paperwork and cables for dispatch of hostage
ief team, Nightingale medevac support and hospitalization alert for
baden - all of which wd be dispatched only when hostages are released.
also have prepared checklist for alerting State to notify families, move
to Europe for reunion. OPLAN includes three sets of press guidance -
opriate to various circumstances which could occur at release. Finally,
guidance as to whether or not you want to predeploy any JSOC to theatre
did in advance of their release. It wd be good insurance if things get
sed up during/after turnover of hostages - particularly if turnover does
result in hostages being brought all the way to our embassy. All involved
eve it is unlikely that Iranians can get them this far with or without
from Hizballah. Most likely is release at one of the few Western
ssion remaining in W. Beirut or at AUB Hospital. We also suggested the
tary Hospital crossing on the green line as a possibility to advise in
If things go wrong after release in W. Beirut wd be helpful.
rgument of wd however increase OPSEC risk - but less so if we get them
be We have to tell [illegible] of [redacted] part of plan anyway. Pls
dd yr views on

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under provisions of E.O. 12356
by [illegible], National Security Council

share his concerns. Far too much is being said over the open telephone by
e for them to be completely ignorant. Finally, we have several policy
ues which need to be addressed:
RCM wd be able to suggest to the Iranians that we are willing to put a
permanent Comms unit into Tehran to facilitate future exchanges
of information - [illegible]
What do we do if they can only spring one two or three of the hostages
after making a good faith effort?
What do we do if, after 72 hrs, nothing happens?

These are the kinds of things I had anticipated for discussion in the private
mtg w/ RR. At the very least, you shd talk to RCM about these things, preferably face to face. While we all expect this thing to go pretty smooth, it
may not. RCM is taking no small risk in this endeavor - just flying around
the way he will have to. He doesn't have to take this kind of chance. I know
that everyone is very busy, but it wd, in my humble opinion, be thoughtful if
you cd find a few minutes to discuss the issues above w/ him and say good by.
While I'm confident he'll be back next week, I could be wrong and it might
be a very long time before anyone sees him again.
Warm regards, North
IRAN AND TERRORISM

FROM: NSOLN --CPUA TO: NSJMP --CPUA 05/20/86 13:37:09
TO: [illegible] --CPUA

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JMP 8/10 A3a

EXHIBIT OLN-195

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EXHIBIT OLN-195

[redacted]

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L": MAY86   [redacted]AO  WHITE HOUSE COMMUNICATIONS AGENCY                      PAGE

                              -- ~~SECRET~~ --
TE FROM: JOHN POINDEXTER
bject: IRAN AND TERRORISM
ESN'T CIA HAVE AN AIRCRAFT THAT COULD BE USED?  WHAT DOES CASEY USE?
  IRAN AND TERRORISM                                                       R
G FROM: NSJMP   --CPUA      TO: NSOLN   --CPUA              05/20/86 14:10:03
: NSOLN   --CPUA

 Reply to note of 05/20/86 10:30
                              -- ~~SECRET~~ --
TE FROM: JOHN POINDEXTER
bject: IRAN AND TERRORISM
 IS NOT THAT IT IS TOO HARD; I JUST DON'T THINK IT IS A GOOD IDEA. LEAKS AT
IS POINT COULD BE DISASTROUS. THIS IS DIFFERENT FROM OTHER SECRET MISSIONS
 THAT ANYBODY THAT KNOWS ANYTHING (OR THINKS THEY KNOW SOMETHING ) CONNECTED
TH THIS MISSION WILL BE SORELY TEMPTED TO TALK ABOUT IT AFTERWARDS IF IT IS
CCESSFUL. LET ME KNOW WHAT YOU WORK OUT.
  IRAN AND TERRORISM                                                       R
G FROM: NSOLN   --CPUA      TO: NSJMP   --CPUA              05/20/86 10:30:12
: NSJMP   --CPUA

 Reply to note of 05/20/86 09:27
                              -- ~~SECRET~~ --
TE FROM: OLIVER NORTH
bject: IRAN AND TERRORISM
e CIA has [redacted] here in CONUS which does not have the range or speed of a [redacted]
. There are

en Casey travels overseas he usually flies by                   A/C. It would
pear that this military a/c thing is in the realm of too hard. UNODIR by
O local, I will seek to make other arrangements. North
  IRAN AND TERRORISM                                                       R
 FROM: NSJMP   --CPUA      TO: NSRBL   --CPUA              05/21/86 17:59:33
: NSRBL   --CPUA     BOB LILARD
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on 3/4/87
12356
Security Council

UNCLASSIFIED

(4560)

6/ 20-22

EXHIBIT OLN-196

UNCLASSIFIED [redacted]

EXHIBIT
OLN-196

N 18072

CPY: J0006 [redacted] AD WHITE HOUSE COMMUNICATIONS AGENCY PAGE 058

-- ~~SECRET~~ --

NOTE FROM: JOHN POINDEXTER
Subject: Odds and Ends
Don, I didn't get to your note until just now. I didn't have anything for you to raise with George. I will think about Ollie.
Odds and Ends

(5) →

[redacted]

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under provisions of E.O. 12356
by [illegible] Reger, National Security Council

*** FROM: [redacted] TO: [illegible] 05/11/86 10:50:06
TO: [illegible]

*** Reply to note of 05/10/86 20:21

-- ~~SECRET~~ --

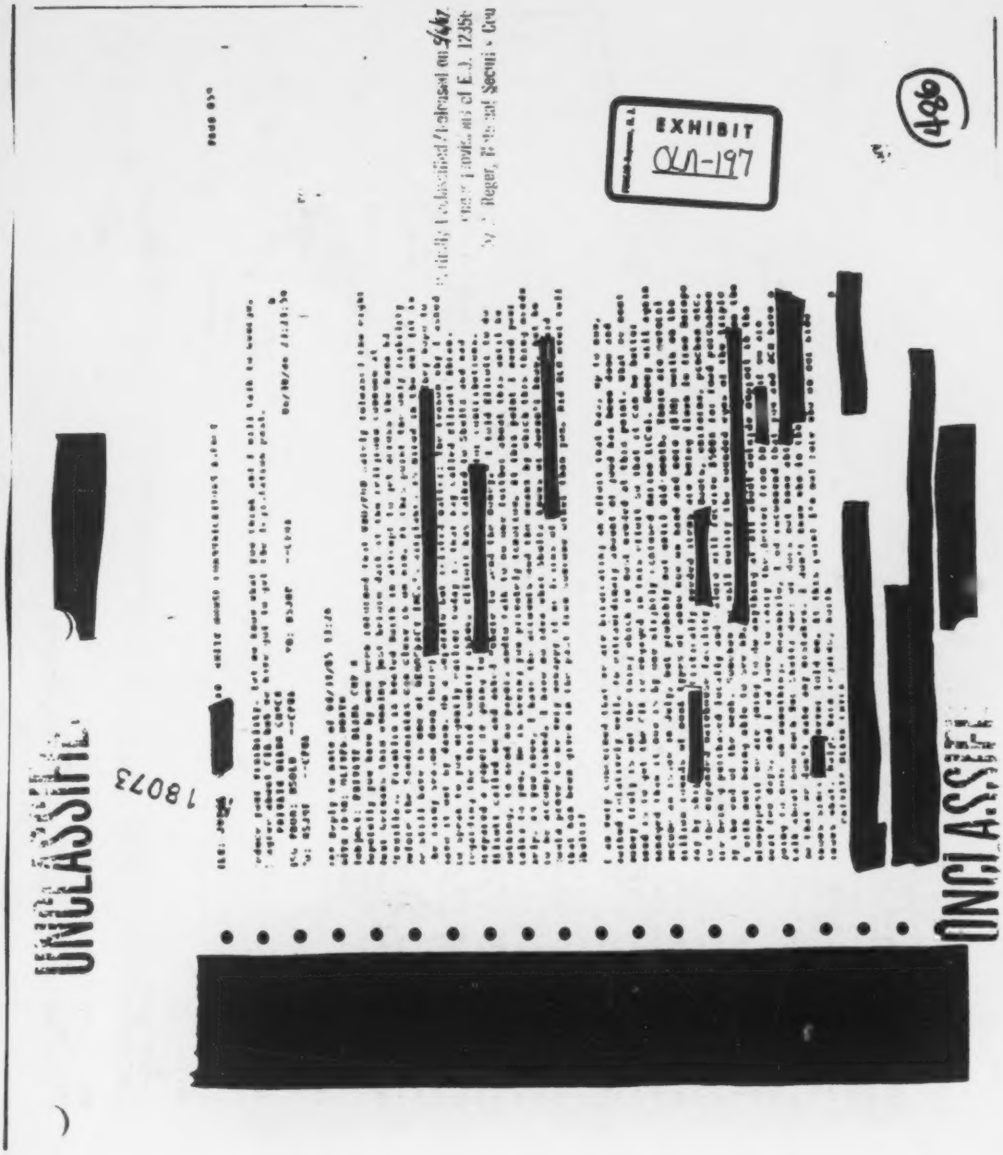
NOTE FROM: JOHN POINDEXTER
Subject: PRIVATE BLANK CHECK
Out of the last NSPG on Central America Shultz agreed that he would think about third country donations. I wanted to get an answer from him so we could get out of the business. As I understand the law there is nothing that prevents State from getting involved in this now. To my knowledge Shultz knows nothing about the private financing. I think it should stay that way. My concern was to find out what they were thinking so there would not be a screw up. I asked Elliott at lunch. He said he had recommended [redacted] where Shultz is going to visit. They have lots of money [redacted] seems like a good prospect. Shultz agreed. I asked Elliott how the money could be transferred. He said he thought Shultz could just hand them an account number. I said that was a bad idea not at all letting on that we had access to accounts. I told Elliott that the best way was for [redacted] to direct their embassy here to receive a person that we would designate and the funds could be transferred through him. Don't you think that is best? I still want to

(6) →

(485)

[redacted] UNCLASSIFIED

EXHIBIT OLN-197



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PRIVATE BLANK CHECK

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EXHIBIT OLN-197

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EXHIBIT OLN-198

EXHIBIT
OLN-198

#36

N 12565

CLK· VLNG [redacted] TO WHITE HOUSE COMMU...

*** Reply to note of 07/15/86 19:07 UNCLASSIFIED
NOTE FROM: OLIVER NORTH
Subject: PRIVATE BLANK CHECK

We are rapidly approaching the point where the PROJECT DEMOCRACY assets in CentAm need to be turned over to CIA for use in the new program. The total value of the assets (six aircraft, warehouses, supplies, maintenance facilities, ships, boats, leased houses, vehicles, ordnance, munitions, communications equipment, and a 6520' runway on property owned by a PRODEM proprietary) is over $4.5M.

All of the assets - and the personnel- are owned/paid by overseas companies with no U.S. connection. All of the equipment is in first rate condition and is already in place. It wd be ludicrous for this to simply disappear just because CIA does not want to be "tainted" with picking up the assets and then have them spend $8-10M of the $100M to replace it - weeks or months later. Yet, that seems to be the direction they are heading, apparently based on NSC guidance.

If you have already given Casey instructions to this effect, I wd vy much like to talk to you about it in hopes that we can reclama the issue. All seriously believe that immediately after the Senate vote the DRF will be subjected to a major Sandinista effort to break them before the U.S. aid can become effective. PRODEM currently has the only assets available to support the DRF and the CIA's most ambitious estimate is 30 days after a bill is signed before their own assets will be available. This will be a disaster for the DRF if they have to wait that long. Given our lack of movement on other funding options, and Elliot plea for PRODEM to get food to the resistance ASAP, PRODEM will have to borrow at least $2M to pay for the food. That's O.K., and Dick is willing to do so tomorrow - but only if there is reasonable assurance that the lenders can be repaid. The only way that the $2M in food money can be repaid is if CIA purchases the $4.5M+ worth of PRODEM equipment for about $2.25M when the law passes. [redacted]

[redacted] told them where they can get them commercially from the USAF as excess - the same way PRODEM bought them under proprietary arrangements. It is just unbelievable. If you wish I can send you a copy of the PROJECT DEMOCRACY status report which includes a breakdown of assets. It is useful, nonattributable reading. Warm Regards, North

] PRIVATE BLANK CHECK

[redacted]

4 May 87

JMP 5/186 (18)

EXHIBIT OLN-199

EXHIBIT
OLN-199

[redacted]

[redacted]

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MSG FROM: NSOLN   --CPUA     TO: NSJMP   --CPUA                09/02/86 11:19:43
To: NSJMP    --CPUA

*** Reply to note of 09/04/86 10:54
NOTE FROM: OLIVER NORTH
Subject: Iran
We need to make several decisions on next steps in our Iran operation and
likewise on support activities for the Nicaraguan Resistance. Wd also
appreciate yr advice on how much I shd discuss re these operations w/ Dr.
Keel.
   •  Iran
```

[redacted]

[redacted]

[redacted]

[redacted]

TOP SECRET/[redacted]

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[redacted]

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[redacted]

EXHIBIT OLN-200

EXHIBIT
OLN-200

[redacted]

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MSG FROM: NSJMP    --CPUA      TO: NSOLN    --CPUA                09/02/86 16:03:17
To: NSOLN     --CPUA

*** Reply to note of 09/02/86 11:14
                                              -- SECRET --
NOTE FROM: JOHN POINDEXTER
Subject: Iran
I will bring Al in when appropriate.  Come see me.
  * Iran
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[redacted]

[redacted]

[redacted]

~~TOP SECRET~~ [redacted]

EXHIBIT OLN-201

~~TOP SECRET~~

~~TOP SECRET~~ UNCLASSIFIED

Partially Declassified/Released on 6 Jun 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

1503

MEMORANDUM OF CONVERSATION

PARTICIPANTS: U.S.: Oliver North
Richard Secord
Sam O'Neill
Iranian: [redacted]

First session convened in the Old Executive Office Building at 12:15 p.m. on Friday, September 19, 1986. [redacted] opened the session, and after preliminary pleasantries, outlined four points which he wished to address initially. One, the Iranian position vs. what they perceive to be the U.S.'s number one enemy -- Russia. Second, their view of American and Iranian strategic interests in the area. Third, past relations of the United States with revolutionary Iran. Fourth, their views for future relations with the United States.

[redacted] then launched into a lengthy exposition with respect to the foregoing issues. He said that the Soviets are a great and aggressive power with a long border with Iran. They recognize that Russia is a direct enemy of the United States and that, with respect to Iranian interests, they do not wish to have antagonistic relations with the USSR, but on the other hand being a friend of the Soviets could be even more dangerous because Soviet ideology is directly opposed to Iran's. They also recognize that their brothers in Afghanistan are suffering under the Soviets. Finally, the Soviets are directly supporting the Iraqis in the war against the Iranians and killing Iranian soldiers. Back to the question of the long border with Russia, [redacted] noted Secord statement in Brussels to the effect that the United States would oppose a Soviet thrust into Iran with or without support of the Government of Iran. The Government of Iran found this statement to be interesting and comforting. The leaders of Iran are very worried today about the "fantastic" increase of Soviet intelligence operations in Iran in recent times. [redacted] The Soviets are attempting to exploit Iranian internal problems. He went on to acknowledge that the revolutionary environment in Iran has many weaknesses. Their security services are weak for instance. [redacted]

[redacted] next turned to relations between [redacted] Government of Iran and the United States Government. He says that some cooperation is necessary in their view. [redacted]

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EXHIBIT
OLN-201

[redacted] Next, Iran needs U.S. influence with the Arab countries friendly to the United States in order to help diminish support for Iraq. Third is the matter of oil, which is vital to Iranian economy. They need U.S. support in this matter. Fourth and most important, he said, is the security of the Gulf and terrorism against U.S. interests and hostages.

[redacted] said he wanted to make these things clear and one of the Iranian leaders in particular has asked that he make this message very clear. [redacted]

On the subject of security, [redacted] said this has two aspects. One is the fear of the flood of terrorism in the region and the second is the overall effects of the current war. With respect to terrorists and hostages, he said that the Shiite religion under the Aytollah is absolutely opposed to terrorism and the taking of hostages. For instance, after the explosions in Lebanon, the Aytollah wrote a "Fatwa," which is a religious ruling absolutely opposing terrorism and the taking of hostages. But, ~~we~~ the United States have to understand that Iran still does not have strong, effective security forces and firm control. [redacted] admits that there are people within Iran who do espouse hostage taking and terrorism. [redacted]

[redacted] The Government of Iran needs more information in order to confront them and they would like to have this from the United States. [redacted] emphasized that from the standpoint of humanity, Iran is against hostage taking and terrorism and even has a certain amount of sympathy for the U.S. at the current time. In the case of Lebanon, Iran considers that they have in the past been helpful to the U.S. In the TWA hijacking, in getting information on the hostages and in the release of two hostages, Iran has already helped. [redacted] said that the Iranians have attraction in places like Lebanon because of the "right-minded masses of peoples' sympathy" for the Iranian revolution. But he said that both Iran and the United States are victims of this hostage business. He next turned to the Iran-Iraq war. Iran, he said, needs a "victory" and that he will explain what he means by victory. Lack of security in Iran is a real problem for the United States. Secord's comments in Brussels were well received and his analysis of the war was keenly received by the leadership in Iran. [redacted]

With respect to United States and Iran, [redacted] provided a quick analysis. Until two years ago, it was difficult for anyone in Iran to consider any kind of United States Government/Iranian relations. There were several probes in the past two years and he wanted to know if they were real. [redacted] And finally, what [redacted] regarded as the worst channel, they've also received numerous probes and letters from an unnamed arms dealer in Europe. Some in Iran believed in these probes from the arms dealers, but "I personally," [redacted] said, "did not believe in them." [redacted] claimed to have been working on this opening of relations with the U.S. for two years now and that the real problem is the lack of communications. "One and a half years ago, an arms dealer came, allegedly with word from [redacted] about exchanging two hostages for arms. We don't trust this arms dealer. After the discussions with Secord and Hakim in Brussels, the leadership has come up with the idea of forming a 'joint committee' that would sit down and resolve the problems step-by-step and that we have a great opportunity to do this now."

[redacted] went on to emphasize the critical importance of this direct meeting here in Washington. "A stage-by-stage plan is needed with which both sides can agree and we need to get on with it quickly while the opportunity is still here."

North responded. "Happy you are here and hope that there is now no doubt that you are talking directly with the Government of the United States directly."

"We understand your problems with respect to channels of communications. We have had the same problem. In all honesty, we are still not in a position to have very good relations, but we are certainly interested in a step-by-step approach to the problem. We have received assurances from General Secord about the genuineness of this particular channel to Iran and, therefore, the President has authorized this meeting. I understand your sensitivity on this, because it is important to have good communications in order to proceed. [redacted] We recognize that your connection with the arms dealer, Ghorbanifar, was not acceptable and is not acceptable to us either. However, he did bring us into contact with an official of the Government ~~of~~ Iran [redacted] This was our first meeting with a Government of Iran official in over six years. As you know now after meetings in Germany with [redacted] we arranged for a delegation to go to Tehran. The President chose a most trusted adviser to lead this mission -- Robert McFarlane. The reason why we went to Tehran was to try to establish the channel of which you now speak. Unfortunately, we met with only a few officials most of whom used false names. We met with none of the people that we expected to meet with and the meeting was a great disappointment to our President."

[redacted] interjected that it is important for him to know the names of the people. In the discussion insued as to what the people looked like and what assumed names they used. North continued. "You should understand that this meeting in Tehran was a great disappointment to us. It has been difficult since then to convince the leadership here of the need to try to continue in the face of that failure. While we were there, we even prepared a draft Memorandum of Understanding to establish this channel. We understood the need for secrecy and I can show you this draft here now, if you wish to read it.:

"There are a number of things which you should understand about why we have pursued this attempt to be in contact with your government. President Reagan is a very strong and popular President. He has helped the United States to recover from a period of economic and military weakness. He has restored economic and military strength to the U.S. Most important, he has restored the will of American people. The U.S. is no longer afraid to use its power in its own defense, and it is not intimidated by the Soviets. Yesterday, we expelled 25 Soviets from the United Nations. We will not give in to Soviet pressure in Afghanistan, Angola, or Central America. The United States wants relations on the basis of reciprocity with all states and, of course, this includes Iran. We want to solve our disputes through discussions not through fighting. The United States believes that many trends are working in its favor -- economy, technology, politics, all working in favor of the United States. Reagan has two more years and has a strong moral position in the eyes of the United States and of the world. The President strongly believes in the words of the Holy Book as do you. He believes deeply in the teachings of the God of Abraham. Thus, he is very popular here and should be popular in the world of Islam. When we went to Tehran, he said to tell you that we accept your revolution as a fact. We admit that there have been missteps along the road since the revolution, but it is important to tell you that there is a responsible and sincere wish in the leadership here to establish communications/relations with Iran. Therefore, we must speak frankly in order to facilitate this. Our policy is based, not on emotion, but on perceptions built-up over the years. There are many things that you have said which we can agree to, but there is a perception that Iran has used revolutionary Islam against the United States. For example, it is clear that some in the Government of Iran have encouraged the taking of U.S. hostages as a means of getting back convicted prisoners held by the Kuwaitis and that there has been a direct connection between the Da'wa, Hizballah, and elements inside the Government of Iran. Therefore, since we're a democracy, as long as this perception exists, we have a great obstacle in the way of doing what the President wants and what you say Iran wants. Also, we see anti-U.S. activity emanting from Iran in Central America."

[redacted] questioned the basis for this information. North responded. "This is all based on accurate intelligence. For example, in Nicaragua, Iran actively supports the communist government there and Iran plans to ship 10,000 rifles and other munitions to Nicaragua through North Korea. These activities serve Soviet interests and in the long-term jeopardize Iran and the United States. In spite of this, the President has directed us to proceed with attempt to establish discrete and, when appropriate, a public relationship with Iran. The President's direction is based on two important principals: One, concern over the Soviets vis-a-vis Iran and; two, our desire to ensure the territorial integrity of Iran and the other Gulf States. We accept the revolution as a fact. The territorial integrity of Iran and the other states in the region are of great importance to the United States. [redacted] The United States does not wish to see Iran lose. We do not want to see an attempt against Iraq which will bring in the Soviets. The Soviets, on the other hand, are in a difficult position. Their economy is a disaster; they've suffered major reverses, for instance, Chernobol; Soviet defectors are showing up all over the world; Soviet ships run into each other in the Black Sea; Soviet submarine-launched missiles accidentally land in China. Last week, six Soviets were killed in Peru. They see the Iran-Iraq war and Afghanistan as very important to them, but neither of these wars are going well for them. They have two things, however, that are advantageous to them. One is great military power, capable of intimidating their neighbors; and two is a very, very effective KGB. We believe that they are capable of using these two instruments of power. Therefore, we understand that Iran can be not their enemy, nor their friend. We have common interests. Iran's continuation as a sovereign state is something that we desire. We have no interest in an Iraqi victory. You might remember that we had no relations with Iraq during the years of the Shah or even during the revolutionary period right after the Shah. We're willing to serve in some role which would end the conflict honorably for Iran. [redacted]

[redacted] The U.S. has no illusions, however, about future Iranian relations. The right way is to proceed carefully and quitely. For example, Soviet anxiety could be quickly raised if they knew that we were trying to reestablish relations. We have shared interests for the long-term. We are prepared to improve on the situation that exists now and to do it in a step-by-step way. However, it's really up to Iran, we are ready."

[redacted] responded. "Regarding the need for Iran to achieve victory, it is not necessary that we achieve a big decisive military victory, but some kind of victory. Only in the last two years, has our approach with the United States been seen as possible, but it is most important to note that the important thing from Iranian perspective is to get Saddam Hussein out. This can be done by the Arabs. We have no territorial designs on Iraq. We have in fact given orders that no Iranian troops on Iraqi territory will display our flag. Iran wants a government in Baghdad that they can live with. The United States can help with the friendly Arabs."

North responded, [redacted] In regard to the points [redacted] made. We were working with Ghorbanifar to make contact, but the letters provided by him to Iran describing our willingness to do certain things were not authorized. Only the document which we produced in Tehran, of which I have provided you a copy, was authorized. [redacted] I want to tell you that unless one of the three men sitting here in the room right now (North, Secord, Sam O'Neill) contact you, there is no official message. With respect to the document we prepared in Tehran, you will note a considerable emphasis on hostages. We consider them to be an obstacle. An obstacle to the understanding of the American people. The widespread perception here in America is that Iran is basically responsible for these hostages. The issue of hostages and terrorism must be dealt with since it is a political obstacle. On the other hand, you should realize that 52,000 people in the U.S. died last year in automobile accidents and 130,000 people died from lung cancer. Five U.S. hostages rarely make the newspapers or the television, but because this is a democracy, if the President is found to be helping Iran with this obstacle still in the way, it would be very difficult to explain to our people."

"From the first, with [redacted] and Ghorbanifar, we have said let's get this issue -- the hostages -- behind us. We recognized that this would be undertaken as a humanitarian gesture on the part of the Iranian Government. [redacted] and to demonstrate our sincerity, at one point, we directed the delivery of 500 TOW missiles and eight hours later they were delivered into Bandar Abbas. But instead of responding favorably, 'rug merchant' type moves resulted, prices were talked about, prices were established for human lives. For instance, 'so many items for so many hostages.' We don't consider this to be a responsible government action and not one that the United States is prepared to engage in."

"We are prepared to continue to provide to Iran items which will help in her defense; but we wish to see the hostage issue behind us so that we can move onward. We have certain items of equipment already prepared for shipment. But you must understand, we cannot give them away. They have to be purchased."

[redacted] interjected with humor saying "haven't they already been paid?"

North responded saying that the TOWs and certain improved HAWK spares had been delivered and paid for, but the intermediary, Ghorbanifar, was complaining that the had not been fully paid.

[redacted] interjected with a political point. He said he agreed that the obstacle had to be removed, but we have to make it much more official and deal directly. Our government thinks that dealing through someone like Secord is a better way to go because they trust him. They don't expect factory prices, but they don't want the same situation to exist that exists today.

North responded saying that "Ghorbanifar always claims to be borrowing and then getting paid in part and rolling debts forward and raising costs and it is very, very confusing and its impossible for us to follow exactly what it is that he is doing. However, Ghorbanifar knows a great deal and he could be harmful to us if he were to go public and this is the problem which we wish to address. We think that Iran should pay him whatever they owe him so he will be quiet and stay off the air."

[redacted] responded that he has gotten all his money but he will look into it.

North said that we would be happy never to deal with Ghorbanifar again but, if he is to keep quiet, his debt should be paid. "We risk a great deal if we are compromised this early in the game. To be honest, I would just as soon not deal with [redacted] either, but this is an Iranian matter."

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[redacted] continued. "It's good that you established your initial contact with [redacted]. This was important to the people in Tehran although it was not successful, and the proper people were never made aware and poor coordination was done and the meeting was not planned properly and it was, thus, very premature. Still it was important that we did establish initially at least contact with [redacted] because this was a pioneering move and [redacted] would not be in Washington now were it not for this initial opening."

North responded. "We are confident that you represent the Government of Iran and to his credit, as I said, [redacted] did have the first meeting with us in six years. This meeting that we're having now should do much to instill confidence in our two capitals and, if we can proceed, it will be very good. [redacted] Earlier you mentioned concern for security and concern over terrorism in our airlines and this we appreciate. The Government of Iran announcement that the Pan Am aircraft hijacked in Karachi could not come to Iran was much appreciated. As a further demonstration of our sincerity, we will arrange that next week on Voice of America the United States Government will thank those countries who were involved in helping in the Karachi hijacking and, for the first time, we will mention Iran as having acted in a positive way. It will be done very discretely in a editorial on VOA. Obviously, we cannot have the President go out announce an Embassy is being opened in Tehran. You would have a domestic, political problem and so would we. Thus, back to our obstacle: Truly we wish to get it behind us. We recognize that Tehran does not exercise absolute control over Hizballah, Amal, or Islamic Jihad, but we also know that you can help resolve this issue."

[redacted] responded that the issue "would be resolved." The question of who [redacted] is and what his background is was then raised by North and [redacted] responded that he was a trusted agent of Iran; he had been a loyal officer and now was a businessman and that they had complete confidence in him. North responded we know very little bit about this man and we are obviously concerned for security; we are concerned with the KGB penetrations and so on.

[redacted] responded that he too was concerned over this sort of thing. He also said that with respect to Mr. Hakim, whom he personally liked and wanted to see involved, some in Tehran regard him as a CIA agent. North responded that Hakim was never a spy for the United States; that he has been a consultant to our government on Iranian affairs from time to time; that he had full trust and confidence as a man who wanted to see improvement for the Iranian people and improvement in relations between our two countries.

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Because of the requirement for secret communications, he has acted on our behalf and we have investigated him as we investigate everyone. This is important to him because of his interest in the country of his birth and the country of his citizenship. We will include both he and [redacted] in whatever sessions that you wish to have them involved in -- you simply have to tell us.

[redacted] turned back to [redacted] He said that he is certain that [redacted] has not been profiteering, but instead has been working sincerely but, he [redacted] is a simple man and he could not continue on with this complex relationship.

North said we tend to believe this. "Sam, here, has often talked with [redacted] and there is always inconsistency between what he says and what Gorba claims."

[redacted]

North said that we are concerned that the Soviets not become aware of any U.S. Government or Iranian Government relationship. "In Tehran, we recommended that we set-up a secure communication station and this would require us to send two of our men to Tehran to man and operate the station. This would give us good secure communications and would thwart the KGB. We are very concerned about KGB efforts to penetrate any relationship we might establish with the Government of Iran. The Iranian idea for a joint committee elsewhere seems to be a good idea, in principle. Meeting somewhere in Europe is probably the way in which we should proceed to manage this beginning relationship. The problem is that we have to set up some place where it won't be penetrated by the KGB. We are very concerned about communications and the Soviets' ability to intercept."

[redacted] responded that he agreed about the KGB and would like to use a single courier from Iran to Frankfurt via Iran Air from now on until secure communications could be established.

North asked [redacted] if he wants [redacted] on this joint committee?

[redacted] said, "Yes, but only for logisitical purposes. I want to give more thought to [redacted] and how he can work with Hakim." With respect to Ghorbanifar, [redacted] said they want to get him out of the loop as soon as they can. He's been profiteering and people in Iran fear that they will be accused of being profiteers.

North responded that Ghorbanifar has some strong Tehran connections that we know of and this remains a problem that needs to be solved. [redacted] said that our recent contacts with [redacted] have

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been very well handled [redacted] With respect to the hostage issue, he wants to get it resolved as quickly as possible and he is confident that they can resolve it. He said that Iran wants to make this a full exchange. For instance, "we have in mind to give you fellows T-72 tank, for example."

North again expressed concern about security and about Ghorbanifar in particular. North also stated that we believe that the oil market is naturally depressed and there is certainly no collusion between ourselves and the Saudis or others to keep prices low, but he agreed that the U.S. and Iran have similar interests with respect to oil.

[redacted] returned then to the subject of Buckley. [redacted] He said that he wanted to assure us that Buckley was not killed; that he died of natural causes; [illegible] he had three heart attacks. He also assured that he had been told that the others are all in good shape. He said that there are video tapes of them recently, talking for 20 minutes each and that these will be distributed to news agencies. [redacted] also said that there was one letter sent out.

North confirmed that one of the hostage relatives received a letter within a day or so of it being written. North then said that we want all the hostages out [redacted]

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At 1800 hours, the first session ended with a short break and then Albert Hakim and [redacted] joined the group. After being joined by the others, [redacted] then said that he was growing tired and asked General Secord to read off the list of Iranian needs which were headed up first by intelligence exchange. [redacted]

North reviewed the list of logistics support items being requested and responded that, in principle, to the extent that items are available either here or elsewhere there isn't a particular problem. "But as we emphasized to [redacted] in Tehran, we think that you might be thinking too small. People preparing lists are only thinking of the very short-term. We, the U.S., look at two million Iranians without homes; half the oil production facilities knocked out; yesterday's attack on Kharg Island, for instance, is a good example; medical supplies being in great shortage, even shortages of food; and so on. We think that the Iranian planners should be talking to us about other than simple weapons requests. [redacted] The United States is interested in helping stop the killing and to provide for an adequate defense. We cannot just do these things willy-nilly. For example: 10,000 175mm RAP rounds is not a reasonable request. This is a huge number of items and it would take a long time to get them -- I doubt that we have that many in inventory. We do have packed and ready to go $5M worth of HAWK spare parts and 500 TOWs. Additionally, you need technical assistance, if you don't have technicians who are adequately trained, all the things we ship to you are useless and just exacerbates the situation. One reason why the President agreed to the TOWs and the HAWK parts which have been shipped so far, is because they are defensive help against Iraq and the Soviets as well. Again, I say don't think too small. For example, we have offered to send free medical supplies through Albert Hakim's organization. We believe that medical suppliers could be more valuable perhaps than all the artillery ammunition we could send."

"The authorities recognize the need for technical assistance. This was pointed out by General Secord in the Brussels' discussions and we should understand that they really inherited nothing from the Shah in the way of an army. The army was disorganized and very disarrayed. The lower echelon officers, as well as the higher echelon officers, were worth very little. They picked the first steps in this war with the army of the people, the revolutionary guards." He recalled earlier that in a meeting with [redacted] some of the military officers said that they had to have one tank for every Iraqi tank, one plane for every Iraqi plane. "This was not practical and, therefore, over time it was decided that the Iranian revolutionary guard, the army of the people, would be used to repell the enemy. Since then, of course, it has become more technological in nature and there are minimum levels of technological assistance and equipment we badly need and the United States can be very helpful in providing these. Therefore, they are looking forward to trying to establish a decent relationship on a secret basis at first."

At 2015, it was agreed to stop for the day and reconvene on Saturday, September 20, for further discussions.

The session continued on September 20, at 0935 hours in an office near the Sheraton Tysons' Hotel, where [redacted] was staying. Present for the U.S. side were Oliver North, Sam O'Neill, and R. Secord. Only [redacted] represented the Iranian side during these initial discussions.

North opened the session by saying that he would like to make some comments about the logistics support items on the list [redacted] had provided the day before. "We would like the leadership of Iran to know that President Reagan is aware that the Iranians have immediate needs; that, while we are sympathetic, we're not just interested in being simply an arms dealer; that we are

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interested in helping the immediate defensive needs in such a way that Iran does not lose the war. We also want to help you with some immediate domestic requirements and we want to help you end the war honorably. The President is willing to play whatever role necessary to help end the war in an honorable fashion."

[redacted] said that perhaps we need a secret exchange of letters between our leaders and he will address this upon return to Tehran. [redacted] stated that after we establish a basis for a relationship, all problems can be addressed. He said that he is completely in agreement with the point about not relying on the arms dealers or other non-official entities. On immediate needs, he could right now order the money to be paid for any of the items that might be available. He said that he could even get the money by telephone.

North said that we believe that this has to done in absolute secrecy.

[redacted] interrupted describing the difficulty of conducting discussions in Tehran. For example, there are three different groups that usually have to be consulted. Also in preparing for the coming offensive, they have shortages in some of the equipments and these are the ones that are mentioned in his list [redacted] With respect to finances since we don't have a formal relationship, we have to do these transactions in a very secret fashion and since our laws are very specific, we have to have payment before delivery of any hardware.

At this point, [redacted] requested that the entire group meet and [redacted] [redacted] and Albert Hakim joined the meeting.

North then stated again that we are trying to get past the issue of the hostages and, in the past, to show our good faith, we have moved certain items to Iran. We are also trying to do things with secrecy. We understand that with normal relations it's going to take time.

Secrecy takes longer and it costs more. With Ghorbanifar and [redacted] we have had a lengthy debate about prices for HAWK spare parts, with [redacted] claiming that we have charged six

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times more than the microfische prices which he has discovered somewhere. "This has caused great of difficulty for us. [redacted] has misinterpretated the microfische. We've traced it back to its origins; it's not relevant. But communicating adequately has been next to impossible." Then North gave a short description of how U.S. military equipment is priced; manufacturers' prices; prices to our own forces; prices to allies; and the impact on overall price for the different modes of transfer. North closed by noting that the President has authorized the transfer of a number of TOWs and some HAWK missile parts in connection with this relationship. "In order to maintain secrecy, we have to sanitize the equipment; that is to remove all the original identifying markings and then we have to ship these items through a circuitous route and Israel, as you know, has been involved in this in the past. Thus, not only the time but also the price goes up when using such a complex method to procure and deliver such items." If it is helpful in getting past this obstacle of the hostages, we are prepared to go forward as requested by [redacted] if your leadership is ready. We are prepared to go forward with those items which are already prepared for shipment, i.e., additional HAWK missile spares and TOWs and with prices that are well understood in advance."

A discussion of the pricing then ensued and the price list was given to [redacted] which he said he understood and so did [redacted]. North then noted that we needed to get rid of the hostage issue as soon as possible so that we could proceed on and establish a relationship which we both recognized as necessary and in the interest of both countries. "We recognize that the influence of Iran is indirect in many cases with the groups in Lebanon and we understand it is a difficult issue. We have offered in the past to give Iran credit as a humanitarian gesture if Iran wants this credit. It's an important point and we have to get past it. I want to tell you that with respect to the issue of the Da'wa prisoners held in Kuwait, we cannot go back to the Government of Kuwait on this issue. But I believe that the Government of Kuwait is prepared to release prisoners in a phased way if the Government of Iran goes privately to Kuwait and promises them no terrorism. This seems reasonable -- you should do it. I've been told to reassure the Government of Iran, moreover, that the U.S. citizen, John Pattis, has never been an employee of the United States Government. We did talk to him quite openly, as we talk to many travellers, but he is not a spy and he's not employee of the CIA and he's never employeed by the Government of the United States."

A short break was then taken and the meeting reconvened without [redacted] and without Hakim at 1525 hours.

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North pointed out that in regard to [redacted] list of equipment, "most of these items would have to come by ship because they are very big and heavy and only a few could come by aircraft." We need to exchange intelligence by courier. [redacted] We need some time to work this up, but we can do it and would be willing to do it if we can come to some understanding with the Government of Iran. [redacted] And, two, the Soviet propaganda organs would publicize our activities and cause great difficulties for both sides. We understand that you're prepared to go ahead and make transfers of money immediately in order to start shipment; but the U.S. is much more interested in doing it right than in doing it too fast."

[redacted] then stated that trying to get close to Western governments has created certain problems for his group in Tehran. [redacted]

North then stated that we have differences, great differences here. "The situations are not the same. Our President is not running for re-election, as you know. There are two years left in his term and he is sincerely interested in changing the course of history with the U.S.-Iranian relations. He has close advisors and aides, who have seen much of war, and they want to see the war out there ended. There is no effect whatever on American elections, and these hostage issues, as you can see, seldom even make the newspapers. Ronald Reagan would like to end this Iran-Iraq war and you might remember that we talked last night about the United States had a long history of acting as a peacemaker. The United States always has great concern for the suffering of people and we know of the impact of this war overall on Iran."

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[redacted] Iran also wants an honorable peace. In return, he expects that Iran will designate three very senior people to go to joint committee meetings. "We could have this joint committee meetings, if you want, by sending a letter to us[redacted] We could also always meet under the cover of a UN meeting. I guarantee you one thing though that I will look into this matter of help to Nicaragua immediately; and, if there is such a thing going on, I will stop it immediately. Again I say I will only use a courier until we can establish secure communications -- until we can set-up these committee meetings." After the meeting, he wanted Secord to be available to talk to him some more. He states further that he will be giving a weekly report on the conditions of the hostages and is now certain that he can bring enough pressure to bear to get them released. He will give us at least two days warning before they're released. He hoped that the U.S. can play a predominant role in achieving a peace in Lebanon. "Iran agrees completely with respect to an honorable peace with Iraq; however, Sadam Hussein must go from the Iranian point of view." He knows that it is not our policy, but he knows that we can bring our influence to bear with certain friendly Arab nations and it is "within the power of the Arab nations to get rid of Sadam Hussein." [redacted]

At this point, at 1720 hours, we agreed to summarize the two days of meetings. [redacted] stated that he wanted to:

"A. Take steps to form a small staff in Tehran for this project.

B. Make instructions for the transfers of monies after lists are checked and agreed to.

C. Inform his leadership about the Voice of America.

D. Clear the way for the release and form a game plan for the hostages.

E. As soon as possible, have a joint committee meeting which he, [redacted] would attend. And, hopefully within a week or ten days, this could be arranged."

North interjected that he agreed with this summary, but that added the point about the Da'wa hostages and Kuwait and Kuwait's desire for a guarantee against terrorism. [redacted] took note of this

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as well. [redacted] closed the session by stating his great appreciation for the hospitality which had been showed by him and North and by all concerned. And, then agreed to establish a brief, very, very brief, ops code for use on the telephone -- simply for the purpose of establishing a place and time of meeting for the joint committee meeting. The meeting ended at 1800 hour.

Comment: During several asides with [redacted], Sam's perception of [redacted] estimate of the two days of discussions is that while [redacted] and we both thought considerable progress was made, [redacted] wanted to discuss the results of the meetings in Washington with responsible officials in Tehran before recommending specific actions and steps be taken. Specific proposals will come at the next meeting with [redacted] and, being Iranian, they will probably be gaged to further tests and assess our sincerity,

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Exhibit OLN-202

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N 7760

SUBJECT; Rundown of Visitor's comments on 19/20 Sept 86

1.[redacted] said that they had had a real problem in determining whether overtures made to them were genuine or not. [redacted] He said they also did not know what to make of the approach via Gorbanifar and [redacted] because they had fielded many such approaches from arms dealers in the past. They also were curious about the approaches from [redacted] After our May visit, and their mishandling of it, A serious debate took place in Tehran about how to proceed. [redacted] said they had to upgrade the channel and now think they have made the neccessary arrangements. [redacted] was told that the three persons in the room would be the only ones on our side until things got further along. [redacted] said that he would be in charge on their side. In an aside, said that [redacted] was too dumb to handle the channel. [redacted] emphasized that they wanted to gradually improve relations with the United States because they fully realized they were between a rock and a hard place. The war will end soon and Iran must make the fateful decision about rebuilding the military and the country. Since the previous orientation was towards American equipment, they would like to continue in the same manner. They realize that American investment will be essential to the rebulding of their country. However, for the time being, everything must be carried out in secret. If this were to leak, the radicals would have a field day and would be able to oust the moderates and the conservatives. [redacted] said that when our delegation was in Tehran, the factions that were aware of our presence had put together a story to be released if word somehow got out about our delegation's presence in Tehran. We told him that we faced similar problems in the United States.

2.With regard to the Gorbanifar [redacted] connectio[redacted] said flatly they mistrust Gorbanifar. We told him that we entertain similar views but are worried about his going public and destroying everything. [redacted] said that they think they can take care of Gorba. He was almost executed in 1981. They have a lot on him and he also has family back in Tehran. The U.S. side is doubtful. Believe this remains a problem since Gorba has told NIR that he would go public. [redacted] said that,although they are grateful t[redacted] for having the courage to get things started, they want him out of the loop because (A) he

1340

Partially Declassified/Released on 29 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

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has not produced and (B) they do not think him smart enough to handle the contact. [redacted] In addition, [redacted] said [redacted] played a role in the Reed kidnapping. He did this as a means of putting additional pressure on the U.S. to send the next shipment. [redacted] suggested that, [redacted] calls again, Sam should tell him that everything is up in the air because of the two new hostages and that nothing can be done until they are released.

3. During our discussion, [redacted] emphasized that they are also interested in relations with us on the strategic level. They are very concerned about Soviet machinations in the area as a whole and in recent months have had their eyes opened by how much effort the Soviets are putting into penetrating and manipulating the Iranian government. [redacted] The Iranians agree that we should put the past behind us, and [redacted] said they regret our fruitless trip to Tehran in May. [redacted] proposed a joint committee which would handle the channel and establish secure communications between the two governments. The opening phase will be secret but we will then bring the relationship into the open at an appropriate time.

4. Hostages: The U.S. side dealt with the hostage issue as an obstacle, not a key issue in arriving at a strategic relationship. [redacted] said that prior to coming on this trip he had talked with the "person directly responsible" twice on the telephone and once personally. He believes that this issue can be resolved and it will be one of the first things he devotes his attention to when he returns to Tehran. He said that it is now a matter of policy that the Iranian government opposes hostage taking and terrorism on humanitarian grounds. He reminded us that the Iranian government did play a positve role in the TWA highjacking case. He said that in addition to recent public statements, Khomieni has prepared a "fatwa" condemning hostage-taking as "unIslamic". We thanked him for the Iranian stance on the highjacking of the PanAm flight in Karachi. [redacted] was told that next week there would be a VOA broadcast in which Iran would be mentioned as one of the States we wished to thank for refusing to grant landing rights to the highjackers. [redacted] also told "Sam" in an aside that he

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had discussed the hostages with [redacted] earlier and he was certain that the matter would soon be settled. [redacted] also stated that the Pattis case would be resolved satisfactorily. The people holding the hostages are very worried about a CIA operation to rescue the hostages. [redacted] urged that we not do anything to fan their fears, as this could make his job harder. He said that he would try to give us 2 or 3 days advanced notice before the hostages are released.

5. [redacted]

6. Joint Committee: There was a lot of discussion about a secret US-Iran Joint Committee. [redacted] towards the end of the meetings, stated that they had already set up three people to be on their side. We told him that ours would be three persons also, consisting of "Goode, Kopp and Sam". [redacted] said that they would pick a single courier would would carry things from Tehran to where ever we designate as committee Hdqs. We suggested that secure communications be established as soon as possible and [redacted] agreed. We returned to our May suggestion of a two man commo team in Tehran. [redacted] liked this and said that he would bring it up in Tehran.

7. [redacted] provided a list of their urgent military requirements. This included tactical intelligence on Iraq which he said they needed desperately. [redacted] said that they badly need 105 and 155 mm howitzers and 175 mm base plate RAP rounds. He asked "Sam" to ship some of these (as much as we can assemble on short notice) as soon as possible. On the shipment that we have put together, [redacted] said to give him an account number as soon as we are ready, and he will have the money ready. He wanted to take the list back and make sure they really needed the spare parts before giving the go-ahead on the shipment. He said that their need for artillery is pressing because they need suppressing fire to make their infantry attacks more successful.

US PARTICIPANTS: George Cave as "Colonel Sam O'Neil"
Oliver North as "Colonel Goode"
Dick Seacord as "General Kopp"

IRANIAN PARTICIPANT: [redacted] of Majlis

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INTERNATIONAL COOPERATION AGAINST TERRORISM

N 7765

Next, a VOA Editorial, reflecting the views of the U.S. Government.

In the aftermath of the hijacking of PAN AM Flight 73 at Karachi airport it is time to reflect on the widespread reaction to this despicable and cowardly crime. The response of nations around the world has been a resounding rejection of this and other acts of international terrorism, like the cruel murders in the synagogue of Istanbul. Regardless of political or religious persuasion, innocent men and women from every continent are joining the call for a stop to the wanton, indiscriminate killing and destruction.

The hijackers of PAN AM Flight 73 remain in the custody of the Pakistani government awaiting trial for murder. The government of Pakistan is to be congratulated for its handling of the difficult and often confusing situation it faced on September 4. The United States government remains prepared to assist in any way that leads to the successful prosecution of those responsible for the unnecessary killing of twenty men, women, and children from India, Pakistan, Mexico, Britain, and the United States.

This hijacking further demonstrates the resolve of

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UNCLASSIFIED DRAFT [redacted] on 29 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

UNCLASSIFIED DRAFT

N 7766

nations to work together to prevent and discourage these attacks on international civil aviation. Not only did Pakistan help in preventing the airplane from departing Karachi -- which properly kept the hijackers on the ground and avoiding a potential in-flight disaster -- other nations refused to allow the airplane to land in their countries were it to have left Pakistan. Nations throughout the region joined together to reject the hijackers from entering their airspace. Countries like Cyprus, Egypt, Kuwait, Jordan, Saudi Arabia, Iran and Italy deserve the recognition from peace-loving people everywhere for their courageous stand against these perpetrators of death and destruction.

President Reagan prays for the families of those killed and injured in this tragedy. He remains committed to work with all nations to stop international terrorism from tearing at the fabric of our civilization and to seek justice against those who would commit violent acts against innocent victims for political reasons. As all of our law-abiding citizens have long understood and governments must continue to learn -- just people with just causes do not resort to terrorism.

That was a VOA Editorial, reflecting the views of the U.S. Goverment.

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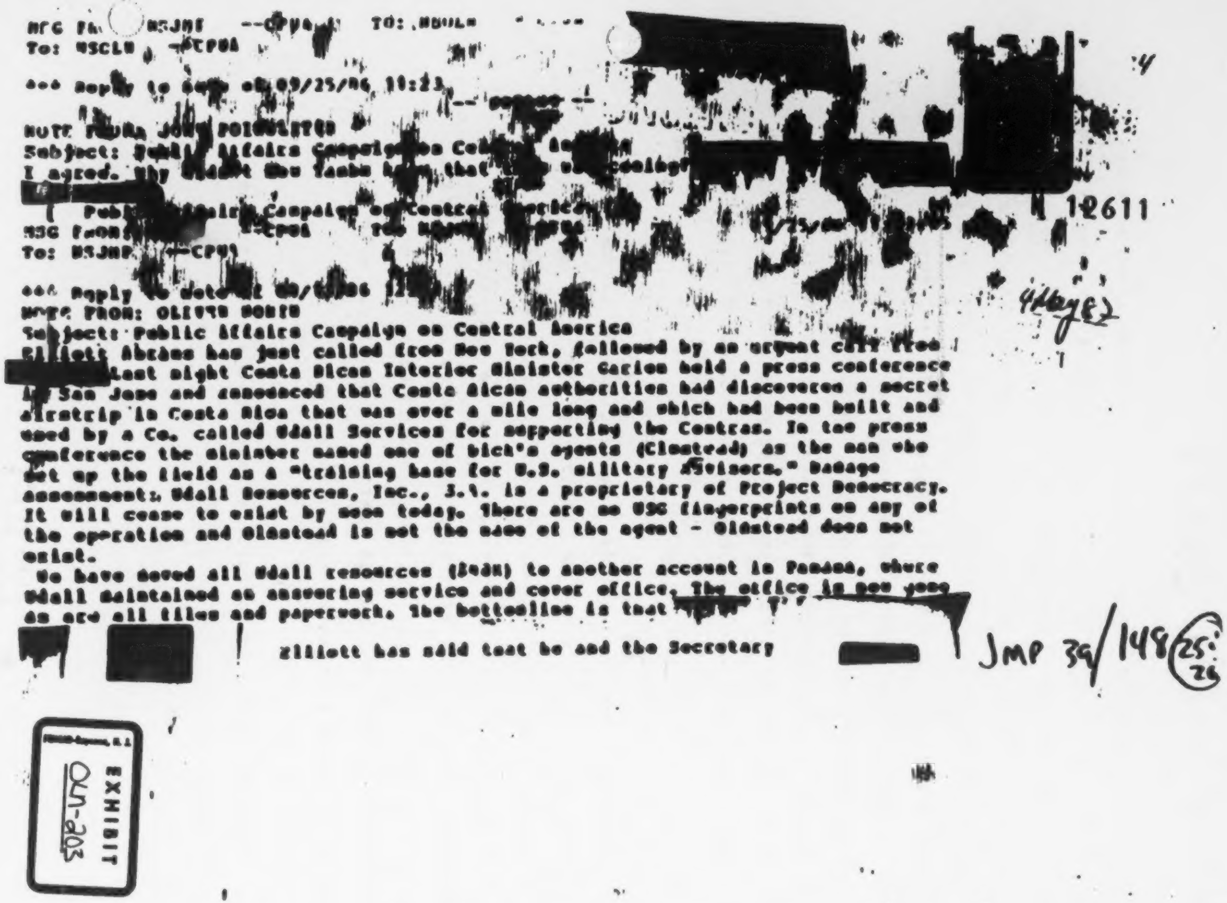
EXHIBIT OLN-203



MSG FROM: NSJMP --CPUA TO: NSOLN [illegible] [redacted]

To: NSCLW , --CPUA

4

*** Reply to note of 09/25/86 11:23 [illegible]

NOTE FROM: JOHN POINDEXTER

Subject: Public Affairs Campaign on Central America

I agreed. Why doesn't the Tambs know that [illegible]

[redacted]

[redacted] Public Affairs Campaign on Central America [illegible]

12611

MSG FROM: [illegible] --CPUA TO: NSJMP [illegible]

To: NSJMP --CPUA

*** Reply to note of **/**/86 [illegible]

NOTE FROM: OLIVER NORTH

4 May 87

Subject: Public Affairs Campaign on Central America

Elliott Abrams has just called from New York, followed by an urgent call from [redacted] Last night Costa Rican Interior Minister Garron held a press conference in San Jose and announced that Costa Rican authorities had discovered a secret airstrip in Costa Rica that was over a mile long and which had been built and used by a Co. called Udall Services for supporting the Contras. In the press conference the minister named one of Dick's agents (Olmstead) as the man who set up the field as a "training base for U.S. military advisors." Damage assessment: Udall Resources, Inc., S.A. is a proprietary of Project Democracy. It will cease to exist by noon today. There are no USG fingerprints on any of the operation and Olmstead is not the name of the agent - Olmstead does not exist.

We have moved all Udall resources ($80K) to another account in Panama, where Udall maintained an answering service and cover office. The office is now gone as are all files and paperwork. The bottomline is that [redacted]

[redacted] Elliott has said that he and the Secretary [redacted]

JMP 39/148 (25-26)

EXHIBIT
OLN-203

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N 12612

#35

FILE: SCP06 [redacted] AO WHITE HOUSE COMMUNICATIONS AGENCY

[redacted] [redacted]

Public Affairs Campaign on Central America

MSG FROM: NSJMP --CPUA TO: NSWRP --CPUA 09/25/86 10:57:13

To: NSWRP --CPUA

4May87

*** Reply to note of 09/25/86 13:25 -- [redacted] --

JMP 3a 49

NOTE FROM: JOHN POINDEXTER

Subject: Conventional Arms Control Options package 90463

EXHIBIT OLN-204

EXHIBIT
OLN-204

718

UNCLASSIFIED ~~TOP SECRET~~ [redacted]

[illegible] Released on May 12, 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

N 18054

FILE: [illegible] [redacted] WHITE HOUSE COMMUNICATIONS AGENCY PAGE [illegible]

[redacted]

[illegible]

[redacted]

[illegible] believe we [illegible]

[illegible] [redacted] [illegible]

~~TOP SECRET~~ [redacted] UNCLASSIFIED

[redacted]

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~~TOP SECRET~~ [redacted]

[illegible] Released on May 12, 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

N 18065

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FILE: SEP06 [redacted] WHITE HOUSE COMMUNICATIONS AGENCY PAGE 157

"If asked" press guidance, V/P North
Public Affairs Campaign on Central America

[redacted]

[redacted]

[redacted]

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EXHIBIT OLN-205

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NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

Non-Log

N 9127

November 14, 1986

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EXHIBIT
OLN-205

MEMORANDUM FOR THE RECORD

SUBJECT: Investigation of Southern Air Transport (SAT)

At 11:30 a.m., November 14, Major General Richard Secord, USAF (Ret.) called his office to advise that the President of SAT had just called him to inform that U.S. Customs officers had again requested all of the company's financial records. This request was being made pursuant to an investigation regarding SAT's role in supporting the Nicaraguan democratic resistance.

Because SAT is involved in supporting the January 1986 Covert Action Finding on Iran, MGEN Secord was concerned that providing the company records for the Nicaraguan resistance investigation would reveal SAT's role in supporting the Iran covert action.

SAT aircraft and pilots were used to support the six deliveries to Iran in 1985 and 1986 and company records would reflect these activities.

This problem was discussed with Mr. Oliver Revell, Associate Director of the FBI, at 12:00 noon on November 14. He advised that ten days ago he had received guidance from Attorney General Meese to "suspend" the investigation of Major General Secord's involvement in support of the Nicaraguan resistance and that the Attorney General had discussed the Customs' investigation of SAT with Treasury Secretary Jim Baker. On Mr. Revell's advice, North called Associate Attorney General Stephen Trott to solicit his advice on this matter.

At 12:10 p.m. on November 14, Trott advised North by secure phone that the Secord and SAT involvement with the Iran covert action had been the subject of a discussion between Trott and the Attorney General and a separate discourse between the Attorney General and Treasury Secretary Baker. Trott indicated that Secretary Baker had planned to advise Customs regarding sensitivity to SAT's involvement in sensitive U.S. Government operations.

Trott informed that he would discuss this matter immediately with Attorney General Meese and indicated that he (Trott) fully understood the need not to divulge SAT or Secord's roles in support of the Iran covert action. Trott indicated that he would advise us of the results.

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N [illegible]
12/15/
14

EXHIBIT OLN-206

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<HEADER>
MSG FROM: NSOLN    --CPUA      TO: NSPBT    --CPUA              11/14/86 20:14:09
To: NSPBT    --CPUA

  * Reply to note of 11/14/86 20:00
NOTE FROM: OLIVER NORTH
<SUBJECT>
Subject: findingon Iran
<TEXT>
If this can wait until Monday, it wd be best to have Ken's office do this thru
their normal channels - rather than have North's fingerprints on it. If it
cannot wait - I will take care of it tomorrow a.m. with a cover memo from JMP.
Pls advise.
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EXHIBIT
OLN-206

EXHIBIT OLN-207

EXHIBIT
OLN-207

THE SECRETARY'S WELCOMING REMARKS
GCC LUNCHEON AT UNGA
October 1, 1986

WELCOMING REMARKS

Note: As practicing Muslims, the GCC Ministers will not drink alcohol at this lunch. Consequently, a toast would not be appropriate. It would be appropriate, however, for the Secretary to say a few words of welcome at the beginning of the lunch. At last year's lunch, the GCC Foreign Ministers made a formal presentation of remarks. They may do the same this year in response to these comments.

Your Highnesses, Excellencies and Distinguished Guests: Welcome. I am once again pleased and honored to meet here in New York with the heads of delegations and Ambassadors of the member states of the Gulf Cooperation Council. In the five years since its founding, the GCC has continued to grow as a source of stability and progress in a threatened region.

The GCC states live on the rim of the tragic Iran-Iraq War. This conflict has entered its seventh brutal year. Regrettably, it shows no sign of resolution. The heightened tempo of the fighting this year and the heightened threat that the conflict will spill over to GCC member states pose real risks to region and the people of your countries. The United States has made it emphatically clear that an expansion of the war to third parties would constitute a major threat to U.S. interests. Yet the unpredictable nature of this conflict remains a cause for constant concern and vigilance.

Attacks on Gulf shipping have intensified. No one can predict when neutral ships transiting international or GCC territorial waters will be hit again. President Reagan has affirmed our commitment to ensuring the free flow of oil through the Strait of Hormuz. I reiterate that commitment to you here today.

The GCC states have shown that, when faced with threat, you can work in concert to assure your common defense. We support your individual and collective self-defense and are ready to work with you.

With you, we urge Iran and Iraq to seek peace, to negotiate an end to their bloody conflict. Iraq desires a negotiated settlement, but Iran remains intransigeant. For that reason, we have intensified our efforts to discourage our friends from selling arms to Iran-- with significant, but not complete, success.

An end to the war is a goal that unites the international community. In our recent discussions in Stockholm and Washington, we and Soviet officials agreed that we share a common interest in seeing an end to the Iran-Iraq war. However, the Soviets have not acted as forcefully as we in moving to block arms resupply to Iran from countries with which they have influence. We wish they would do more.

Elsewhere in the Islamic world, the senseless horror of international terrorism has struck again -- an airport in Karachi, the morning prayers at a synagogue in Istanbul and yet two more kidnappings in Beirut. Your countries know all too well the terrorist plague. You have shown great courage in refusing to bow to terrorist tactics. We respect your strength and share your determination.

We all want peace in the Middle East. For forty years, the United States has worked for a just and lasting peace betweeen Israel and its Arab neighbors. There can be no substitute for a political process involving direct negotiations to resolve the Arab-Israel conflict. Two important steps -- and powerful examples of the efficacy of direct negotiations -- were taken last month: agreement to submit the Taba dispute to arbitration, and a historic summit meeting between Israeli Prime Minister Peres and Egyptian President Mubarak.

Only through direct negotiations with all the parties concerned will the legitimate rights of the Palestinian people be reconciled with Israel's security requirements We will persist in seeking ways to further the conditions toward this goal. We ask your understanding of our efforts and your continued support in promoting a peaceful solution to the issues that have for too long divided Arabs and Israelis.

Since we met a year ago, the United States and GCC have begun a dialogue on economic matters of mutual concern. In exploratory meetings, first in Riyadh and later in Washington, we have worked to identify areas where both sides could benefit from greater cooperation. Much work remains to be done, but we believe mutually beneficial results can be acheived. We look forward to continuing these important exchanges in the coming months.

We are aware of your concerns about the effect U.S. tax reform will have on GCC investments in the United States. The provision in question, now being finalized in Congress, aims at putting all commercial investors on an equal footing. It will inevitably affect the tax status of many -- private and public, domestic and foreign. This legislation may lead some investors to restructure their U.S. portfolios, but it is not directed against any geographic region. Most important, with tax reform the United States will remain a good place in which to invest.

Today as ever, the GCC is a force for stability and progress in a troubled region. GCC strides in security and economic integration strengthen its ability to resist threats to peace. We support your efforts and value the friendship GCC nations have shown the United States. My government -- and I personally -- will work to build even closer ties with the GCC. It is a pleasure to meet with you again. Let us continue our efforts to achieve a more peaceful world for all. Thank you.

EXHIBIT OLN-208

FILE

THE UNITED STATES' COMMITMENT TO THE MIDDLE EAST PEACE PROCESS

REMARKS TO THE MIDDLE EAST INSTITUTE
FRIDAY, OCTOBER 17, 1986

BY

RICHARD W. MURPHY
ASSISTANT SECRETARY
NEAR EASTERN AND SOUTH ASIAN AFFAIRS
UNITED STATES DEPARTMENT OF STATE

INTRODUCTION

I CONGRATULATE THE INSTITUTE AS IT ENTERS ITS 40TH YEAR AND APPRECIATE YOUR INVITATION TO BE WITH YOU TONIGHT. WHEN I WAS TOLD THAT THE THEME OF THIS YEAR'S CONFERENCE WOULD BE "40 YEARS IN A QUANDARY," I WAS ALSO TOLD TO FEEL FREE ABOUT WHAT I MIGHT WANT TO TALK ABOUT. WE HAVE MANY QUANDARIES IN THE BUREAU OF NEAR EASTERN AND SOUTH ASIAN AFFAIRS. THEY ARE A DAILY EVENT. SHOULD I, FOR EXAMPLE, DISCUSS SOUTH LEBANON AND UNIFIL IN THE LIGHT OF LAST TUESDAY'S REPORT TO THE UN SECURITY COUNCIL. OR SHOULD I DWELL ON THE LATEST THREAT TO STABILITY IN SOUTH LEBANON IN LIGHT OF THE LAST 48 HOURS OF VIOLENCE STARTING WITH A TERRORIST ATTACK AGAINST ISRAELIS NEAR THE WESTERN WALL IN JERUSALEM AND CONTINUING THROUGH ISRAELI AIRSTRIKES NEAR SIDON?

I WILL FOCUS TONIGHT PRIMARILY ON THE MIDDLE EAST PEACE PROCESS, BUT START WITH SOME GENERAL REFLECTIONS ON THE U.S.

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ROLE IN THE REGION, INCLUDING COMMENTS ON LEBANON, THE GULF WAR, AND TERRORISM.

U.S. ROLE IN THE REGION

THE QUESTION OF WHAT IS THE APPROPRIATE ROLE FOR OUR COUNTRY IN THE MIDDLE EAST HAS BEEN AT THE HEART OF OUR FORTY YEAR QUANDRY. THIS QUESTION CONFRONTS US ACROSS THE REGION AS WELL AS ACROSS A BROAD SPAN OF ISSUES. RECOGNIZING THERE ARE UNDOUBTEDLY A VARIETY OF VIEWS IN THIS AUDIENCE ABOUT HOW TO ANSWER IT, I SUBMIT THAT THERE IS NO SINGLE VISION OR DEFINITION OF THE U.S. ROLE THAT CAN BE IMPOSED THROUGHOUT THE REGION OR SUPERIMPOSED ON ALL ISSUES.

OUR BROAD POLICY OBJECTIVES APPLY TO THE REGION AS A WHOLE AND HAVE REMAINED CONSTANT OVER A CONSIDERABLE PERIOD OF TIME -- CERTAINLY LONGER THAN THE FORTY YEARS BEING CONSIDERED BY THIS CONFERENCE. FIRST AND FOREMOST, WE HAVE ATTEMPTED TO MAINTAIN STABILITY IN THIS REGION OF GREAT STRATEGIC IMPORTANCE. CLOSELY RELATED TO THIS, WE HAVE ATTEMPTED TO ASSURE THE SECURITY AND PROSPERITY OF OUR FRIENDS IN THE REGION. AN ADDITIONAL POLICY OBJECTIVE -- NOT FREQUENTLY NOTED BY HARD-NOSED STRATEGISTS BUT VERY MUCH IN KEEPING WITH THE STRONG AMERICAN SENSE OF COMPASSION -- WE HAVE TRIED TO AVERT

HUMAN TRAGEDY WHENEVER POSSIBLE AND TO ALLEVIATE IT WHEN IT COULD NOT BE PREVENTED.

THESE POLICY OBJECTIVES ARE CONSTANTS. BUT THE ROLE WE ARE ABLE TO PLAY AT ANY PARTICULAR TIME VARIES CONSIDERABLY WITH THE CIRCUMSTANCES AND CONTEXT OF EACH CASE.

U.S. ROLE: LEBANON

LEBANON TODAY IS AN EXAMPLE OF A SITUATION FRAUGHT WITH HUMAN TRAGEDY AS WELL AS WITH IMPLICATIONS FOR THE STABILITY OF THE REGION. IT IS ALSO AN EXAMPLE OF THE REAL LIMITS ON THE ABILITY OF ANY OUTSIDE POWER TO INFLUENCE EVENTS IF THE PLAYERS ON THE SCENE ARE THEMSELVES UNABLE OR UNWILLING TO RECONCILE THEIR FUNDAMENTAL DIFFERENCES.

WE FIRMLY BELIEVE THAT PRACTICAL PROPOSALS FOR CONSTITUTIONAL AND SECURITY SOLUTIONS MUST COME INITIALLY FROM THE LEBANESE THEMSELVES. THIS IS WHY WE HAVE BEEN ENCOURAGED BY THE FORMATION OF THE COMMITTEE OF DIALOGUE IN BEIRUT. AT THE SAME TIME, WE UNDERSTAND FULL WELL THAT THOSE GOVERNMENTS WHICH TRULY SUPPORT THE STRENGTHENING OF THE CENTRAL GOVERNMENT -- AND REASSERTION OF ITS AUTHORITY THROUGHOUT A UNIFIED AND

INDEPENDENT LEBANON -- HAVE A RESPONSIBILITY TO ACT IN SUCH A WAY THAT THE EFFORTS OF THE COMMITTEE OF DIALOGUE CAN SUCCEED.

IN THE SOUTH, WE BELIEVE THAT UNIFIL HAS A KEY ROLE TO PLAY IN ACHIEVING THE GOAL WHICH ALL THOSE WHO WISH LEBANON WELL SHOULD SHARE; NAMELY, PERMANENT ARRANGEMENTS BY WHICH THE LEBANESE GOVERNMENT WILL BE RESPONSIBLE FOR SECURITY DOWN TO ITS BORDER, SO THAT THE PEOPLE IN SOUTHERN LEBANON AND NORTHERN ISRAEL CAN RESUME NORMAL LIFE, FREE FROM FEAR OF ATTACK.

ANOTHER CRITICAL ELEMENT IN REACHING THE GOAL OF NORMALITY IN THE SOUTH, AND INDEED THROUGHOUT LEBANON, WILL BE THE REALIZATION BY ALL MILITIA LEADERS THAT THE RENAISSANCE OF LEBANON WILL DEPEND ON THE DISBANDMENT OF EVERY EXTRA-LEGAL ARMED GROUP. MY COLLEAGUE AMBASSADOR PARKER IS ONE OF MANY SENIOR AMERICAN OFFICIALS WHO STROVE TO ACHIEVE LEBANESE CONSENSUS ON THE MILITIA PROBLEM. OUR CONVICTION REMAINS: ENERGIES CURRENTLY SQUANDERED IN SUPPORT OF MILITIAS MUST BE DIVERTED TO POSITIVE, ACTIVE SUPPORT OF THE LEBANESE ARMED FORCES AND THE NATIONAL POLICE.

THE CHAOS THAT AFFLICTS LEBANON TODAY HAS PROLONGED THE AGONY OF OUR HOSTAGES. THE U.S. GOVERNMENT STANDS READY TO DISCUSS WITH THEIR CAPTORS THE SAFETY AND RETURN OF THE HOSTAGES. BUT WE WILL NOT PRESSURE THE KUWAITI AUTHORITIES TO RELEASE THOSE IT HAS IMPRISONED FOR KILLING SIX IN THE BOMBING

OF KUWAITI INSTALLATIONS THE U.S. AND FRENCH EMBASSIES THERE THREE YEARS AGO.

U.S. ROLE: THE GULF WAR

THE GULF WAR THREATENS TO CHANGE THE STRATEGIC MAP IN THE MIDDLE EAST. IT IS RAVAGING HUMAN LIFE AND THE MATERIAL INFRASTRUCTURES IN IRAN AND IRAQ: ITS TERMINATION WILL HAVE FAR-REACHING CONSEQUENCES FOR REGIONAL SECURITY. WE SEE NO VICTOR WHEN THE END OF FIGHTING FINALLY ARRIVES.

AS THE LEVEL OF VIOLENCE AND DESTRUCTION ESCALATES, SO DOES THE DANGER THAT THE WAR WILL SPREAD THROUGHOUT THE GULF. ALREADY, GULF SHIPPING HAS BECOME A RENEWED TARGET FOR BOTH SIDES. FOR OUR PART, WE HAVE CONTINUED TO PRESS OUR THREE YEAR OLD DIPLOMATIC EFFORTS TO PREVENT ARMS FROM FRIENDS AND ALLIES FROM GETTING TO IRAN. OUR PROGRAM HAS SLOWED THE WAR BUT NOT YET SERIOUSLY DISLOCATED IRANIAN STRATEGY. WE TARGET IRANIAN ARMS PROCUREMENT BECAUSE IRAN IS THE INTRANSIGENT PARTY IN THE WAR, REFUSING TO CONSIDER ANY NEGOTIATION OR MEDIATION PROPOSAL MADE TO DATE.

WE ALSO CONTINUE OUR DIPLOMATIC EXCHANGES -- AT THE U.N.

AND ELSEWHERE -- TO SEE WHAT WE MIGHT BE ABLE TO DO TO HELP BRING THE WAR TO AN END.

FINALLY, WE MAINTAIN OUR EFFORTS TO KEEP OUR MODERATE ARAB FRIENDS IN THE PENINSULA STRONG AND PREPARED TO DEFEND THEMSELVES AGAINST DANGEROUS THREATS. MAINTAINING OUR TRADITIONAL MILITARY SUPPLY RELATIONSHIPS, OFTEN DESPITE HEAVY OPPOSITION IN CONGRESS, IS CRUCIAL TO THIS GOAL. WITH THIS IN MIND THE ADMINISTRATION WILL STRONGLY OPPOSE THE BIDEN-LEVINE BILL TO BE DEBATED IN THE NEXT CONGRESS.

U.S. ROLE: TERRORISM

IN THE CASE OF THE IRAN-IRAQ WAR AND ALSO OF THE ARAB/ISRAEL CONFLICT, THE CRITICAL VARIABLE, IN THE END, IS THE WILL OF THE REGIONAL PARTIES TO ACHIEVE PEACE. OUR CONTRIBUTION, HOWEVER ESSENTIAL, CANNOT SUBSTITUTE FOR DECISIONS THAT ARE THE HISTORICAL RESPONSIBILITY OF THE GOVERNMENTS DIRECTLY CONCERNED. BY CONTRAST, IN THE FIGHT AGAINST TERRORISM, WE HAVE INCREASINGLY TAKEN ON THE LEAD ROLE.

OBVIOUSLY, OUR SUCCESS SO FAR HAS BEEN ONLY PARTIAL. AND GRANTED, THE PROSPECT OF ENDING TERRORISM OR EVEN STATE-SUPPORTED TERRORISM AS A RESULT OF ONE CRASH PROGRAM IS

ILLUSORY. IT WILL BE A LONG BATTLE, AND IT IS JUST BEGINNING. WHAT I AM SUGGESTING IS THAT THIS IS ONE INSTANCE WHERE OUR POLITICAL AND MILITARY RESOURCES, OUR COMPARATIVE FREEDOM OF ACTION AND THE INTERESTS OF OUR FRIENDS AND ALLIES, HAVE ENABLED AND REQUIRED US TO TAKE THE LEAD IN RAISING THE COST OF TERRORISM TO AN UNACCEPTABLE LEVEL. THAT SAID, WE DO NOT BELIEVE COUNTER-TERRORISM IS EXCLUSIVELY OUR RESPONSIBILITY. WE SEE THIS AS A FIELD FOR UNIFIED INTERNATIONAL EFFORTS. INDEED, WE HAVE SUCCEEDED TO A SIGNIFICANT DEGREE IN GALVANIZING EUROPEAN SUPPORT FOR POLITICAL AND ECONOMIC MEASURES TO FIGHT TERRORISM.

TERRORISTS IN THE MIDDLE EAST ARE FEW IN NUMBER BUT THEIR ACTIONS HAVE STIMULATED A TROUBLING GROWTH OF RACIAL SLURS ABOUT ARABS. I ALSO WANT TO MENTION A RECENT NEWS REPORT OUT OF DEARBORN, MICHIGAN WHICH SOME OF YOU MAY HAVE SEEN. IT SADDENED ME DEEPLY. IN THAT CITY, WITH ITS LARGE ARAB-AMERICAN COMMUNITY, CHILDREN HAVE TAKEN TO DENYING THEIR ARAB ORIGIN OUT OF FEAR THAT THEY WILL BE TAUNTED AS TERRORISTS BY THEIR SCHOOLMATES. THUS, THE BRUTAL AND TWISTING IMPACT OF TERRORISM AND THE RESULTING ETHNIC SLURS AFFECT THE PSYCHE OF CHILDREN IN OUR OWN MID-WEST. THIS IS UNACCEPTABLE.

THE PEACE PROCESS WHERE WE ARE -- THE EVOLUTION OF PROCESS

IT IS IN THE CONTEXT OF THE ARAB/ISRAEL PEACE PROCESS THAT THE CHALLENGE TO DEFINE AND EXERCISE THE APPROPRIATE U.S. ROLE HAS RECEIVED THE GREATEST SCRUTINY. I WILL ADDRESS THE REMAINDER OF MY REMARKS HERE THIS EVENING TO THE PEACE PROCESS WHICH REMAINS OUR CENTRAL PREOCCUPATION IN THE REGION.

LET ME FIRST REVIEW WHERE WE ARE. THE LIST OF POSITIVE ACHIEVEMENTS OVER THE PAST FEW YEARS IS LONG: PERMIT ME TO LIST SOME OF THEM:

- SENTIMENT IN FAVOR OF A NEGOTIATED SOLUTION TO THE ARAB-ISRAELI DISPUTE HAS EXPANDED SIGNIFICANTLY. I WOULD SUGGEST THAT THERE ARE INCREASINGLY FEWER MIDDLE EAST PLAYERS WHO SEE THE DISPUTE BEING RESOLVED BY FORCE OF ARMS, AND MANY MORE WHO ARE PREPARED TO SAY, PUBLICLY OR PRIVATELY, THAT ISRAEL AND THE ARABS SHOULD NEGOTIATE THEIR DIFFERENCES.

- MOREOVER, PREVIOUSLY TABOO CODEWORDS ARE BEING SUBJECTED TO NEW SCRUTINY, BY ISRAELIS AND ARABS ALIKE. "LEGITIMATE RIGHTS OF PALESTINIANS," "DIRECT NEGOTIATIONS," "SECURE AND RECOGNIZED BOUNDARIES" ARE

BEING ASSESSED BY DECISION MAKERS IN TERMS OF HOW THEY MIGHT CONTRIBUTE TO PROGRESS, RATHER THAN BLOCK IT.

- ARAB-ISRAELI CONTACTS ARE BECOMING MORE ROUTINE. THE MEETING IN IFRANE BETWEEN KING HASSAN AND PRIME MINISTER PERES AND THE ALEXANDRIA SUMMIT BETWEEN PERES AND PRESIDENT MUBARAK ARE THE MOST SIGNIFICANT EXAMPLES, PARTICULARLY SO IN THAT THE MEETINGS EVOKED LITTLE SERIOUS CRITICISM AND IN FACT SOME CAUTIOUS INTEREST ON THE PART OF SOME OTHER MIDDLE EAST COUNTRIES.

- THE MOOD IN THE OCCUPIED TERRITORIES IS CHANGING. ARAB MAYORS NOW RUN ALL WEST BANK MUNICIPALITIES; AN ARAB BANK WILL SOON OPEN IN NABLUS (THE FIRST ON THE WEST BANK SINCE 1967); THE BUSINESS AND ECONOMIC ENVIRONMENT HAS BECOME MORE ENCOURAGING FOR INDIGENOUS ENTREPRENEURSHIP. TO BE SURE, AND QUITE UNDERSTANDABLY, THE DESIRE TO END THE OCCUPATION REMAINS STRONG. BUT A POLITICAL ENVIRONMENT IS EVOLVING THAT COULD OPEN THE WAY FOR THE EXERCISE OF GREATER CONTROL BY THE PALESTINIAN POPULATION IN THE WEST BANK AND GAZA -- NOT AS A SUBSTITUTE FOR THE PEACE PROCESS BUT AS A COMPLEMENT TO IT.

- FINALLY, I WOULD POINT TO A CONCEPTUAL CHANGE IN THE WAY REGIONAL PLAYERS VIEW A SETTLEMENT -- THERE IS MORE ACCEPTANCE OF "PROCESS," AND LESS INSISTENCE ON "GUARANTEED OUTCOMES" THAN WE HEARD A FEW YEARS AGO. AT THE SAME TIME, WE HAVE BEEN REMINDED THAT, JUST AS IT IS UNLIKELY THAT PEOPLE WOULD EMBARK ON A CROSS-DESERT JOURNEY WITHOUT A SENSE OF WHERE THE NEXT WATER HOLE IS LOCATED, SO TOO A PEACE "PROCESS" MUST CARRY A SENSE OF WHERE IT IS HEADING.

WHERE WE ARE HEADING: THE ISSUES AT STAKE

I AM SURE YOU ARE FULLY FAMILIAR WITH THE KEY SUBSTANTIVE AND PROCEDURAL ISSUES ON THE TABLE, SO I WILL NOT DESCRIBE THEM IN DETAIL. THEY INCLUDE:

- NEGOTIATIONS ON THE BASIS OF UN SECURITY COUNCIL RESOLUTIONS 242 AND 338, EMBODYING THE "LAND-FOR-PEACE" FORMULA.

- THE SHAPE AND FORMAT OF THE NEGOTIATING PROCESS, INCLUDING THE QUESTION OF AN INTERNATIONAL CONTEXT FOR THAT PROCESS.

- ISSUES RELATING TO PARTICIPATION, INCLUDING THE ROLE OF PALESTINIANS IN THE PROCESS.

UNDERLYING THE WAY WE DEAL WITH THESE SPECIFIC ISSUES ARE TWO QUESTIONS OF HOW THE PEACE PROCESS CAN BEST BE APPROACHED. THE FIRST INVOLVES THE RELATIVE MERITS OF A STEP-BY-STEP APPROACH VERSUS MOVEMENT ON ALL FRONTS SIMULTANEOUSLY TOWARD A COMPREHENSIVE SETTLEMENT. THE SECOND CONCERNS THE RELATIVE RESPONSIBILITIES OF THE REGIONAL AND EXTRA-REGIONAL PARTIES.

STEP-BY-STEP VERSUS COMPREHENSIVE SETTLEMENT

FIRST, A FEW WORDS ON THE RELATIVE MERITS OF PURSUING A PEACE PROCESS STRATEGY BASED ON A STEP-BY-STEP APPROACH -- THAT IS, THE PURSUIT OF INCREMENTAL AGREEMENTS WHICH ARE IMPORTANT IN AND OF THEMSELVES BUT WHICH ALSO SERVE TO STRENGTHEN THE FOUNDATION AND ENVIRONMENT FOR MORE FAR-REACHING SOLUTIONS -- OR, ALTERNATIVELY, A COMPREHENSIVE APPROACH, ONE WHICH AT THE OUTSET LAYS BARE THE FUNDAMENTAL ISSUES AT STAKE AND SEEKS A PACKAGED SETTLEMENT.

HAVING NOTED THE WILLINGNESS OF THE PARTIES TO VIEW THE SEARCH FOR PEACE IN TERMS OF A PROCESS, IT WOULD APPEAR TO

FOLLOW THAT AN INCREMENTAL STRATEGY SHOULD BE PURSUED. IN FACT, THIS WAS THE CASE DURING THE MID-1970'S. THEN, THERE WERE FEW BUILDING BLOCKS ON WHICH TO CONSTRUCT A VIABLE STRATEGY. ARABS AND ISRAELIS HAD NOT HELD NEGOTIATIONS OUTSIDE THE ARMISTICE CONTEXT SINCE 1948-9. THE MISPERCEPTIONS, PREJUDICES, FEARS AND HATREDS WHICH OFTEN BESET ENEMIES WERE RAMPANT. THE COMMON ARAB ASSUMPTION WAS THAT ISRAEL WAS AN INHERENTLY EXPANSIONIST STATE, WHICH DID NOT SEEK A PEACE THAT WOULD REQUIRE THE RETURN OF OCCUPIED TERRITORIES. ISRAEL WAS ALSO SEEN AS AN ALMOST SUPERNATURALLY ENDOWED NEGOTIATOR WHICH COULD SAFELY BE DEALT WITH ONLY BY A BLOC OF ARAB STATES. THE COMMON ISRAELI ASSUMPTION WAS THAT THE ARAB WORLD WAS NOT PREPARED TO TALK TO ISRAEL, AND THAT THE MILITARY OPTION WAS AN ARAB STRATEGY FOR GRADUALLY WEARING DOWN THE WILL OF ISRAEL TO RESIST. IN 1974 AND 1975, THEREFORE, THE AFTERMATH OF WAR MADE IT NECESSARY TO CONSTRUCT A NEGOTIATING PROCESS WHICH COULD BEGIN TO REDUCE THESE MUTUAL MISPERCEPTIONS. THE DISENGAGEMENT AGREEMENTS REACHED BETWEEN ISRAEL AND EGYPT, AND BETWEEN ISRAEL AND SYRIA, WERE IMPORTANT NOT ONLY BECAUSE OF THE PRACTICAL ARRANGEMENTS THEY BROUGHT ABOUT, BUT ALSO BECAUSE THEY REPRESENTED THE BEGINNINGS OF DIALOGUE.

THE OFFSPRING OF THIS PROCESS -- THE CAMP DAVID ACCORDS AND THE EGYPT-ISRAEL TREATY OF PEACE -- REPRESENTED BOTH THE

CULMINATION OF THE STEP-BY-STEP APPROACH AND THE CONCEPTUALIZATION OF HOW A FINAL SETTLEMENT COULD BE REACHED. LET ME BE CLEAR: NO PARTY TO THESE AGREEMENTS EVER UNDERSTOOD THEM TO BE THE FINAL PRODUCT OF THE PEACE PROCESS. EGYPT AND ISRAEL CERTAINLY DIFFERED ON THE SUBSTANCE OF WHAT THE FINAL PRODUCT SHOULD LOOK LIKE, BUT THEY SPECIFICALLY COMMITTED THEMSELVES TO A NEGOTIATING PROCESS FOR ACHIEVING COMPREHENSIVE PEACE.

THE REASON I STEP BACK IN HISTORY THIS WAY IS TO UNDERSCORE A FUNDAMENTAL REALITY OF THE CURRENT PEACE PROCESS: NAMELY, THAT ITS OBJECTIVE HAS BEEN TO WIDEN THE CIRCLE OF ARAB PARTIES PREPARED TO BUILD ON INCREMENTAL PAST STEPS AND MOVE TOWARD PEACE NEGOTIATIONS. THE 1982 REAGAN INITIATIVE, KING HUSSEIN'S REPEATED EFFORTS TO REACH A COMMON BASIS FOR NEGOTIATIONS WITH THE PLO, EFFORTS TO IMPROVE THE QUALITY OF LIFE IN THE OCCUPIED TERRITORIES, EGYPT'S CONTINUING REINTEGRATION INTO THE ARAB WORLD, KING HASSAN'S MEETING WITH PRIME MINISTER PERES, AND THE LIKE -- ALL THESE HAVE BEEN PART AND PARCEL OF THIS PROCESS. THEY HAVE FOCUSSED LESS ON NEW IDEAS THAN ON A NEW COMMITMENT TO FIND A COMMON BASIS FOR NEGOTIATING PEACE BETWEEN ISRAEL AND ALL ITS NEIGHBORS. IN SHORT, A COMPREHENSIVE PEACE IS OUR GOAL, BUT A HARD LOOK AT THE POLITICAL REALITIES IN THE REGION CONVINCE ME THAT THAT GOAL CAN ONLY BE ACHIEVED STEP AFTER STEP.

REGIONAL OR EXTRA-REGIONAL INITIATIVES: THE U.S. ROLE

THE SECOND CONTEXTUAL ISSUE IS THE ROLE AND RESPONSIBILITY OF THE REGIONAL PARTIES -- AS OPPOSED TO EXTRA-REGIONAL PARTIES -- TO INITIATE IDEAS FOR MOVING THE PROCESS FORWARD. THE TRADITIONAL VIEW HAS BEEN THAT THE PARTIES TO THE CONFLICT ARE UNABLE TO OVERCOME BIASES, INHIBITIONS AND DOMESTIC POLITICAL PRESSURES IN ORDER TO DEVELOP CREATIVE APPROACHES TO PROBLEM-SOLVING. AT FIRST GLANCE, THE PATTERN OF MIDDLE EAST DIPLOMACY MIGHT SEEM TO CONFIRM THIS THESIS:

- NO AGREEMENT BETWEEN ISRAEL AND THE ARABS HAS BEEN REACHED WITHOUT SOME FORM OF OUTSIDE MEDIATION.

- OUTSIDE MEDIATORS NORMALLY HAVE BEEN MORE THAN THAT, I.E. FILLING THE NEED TO TRANSFORM OFTEN INCHOATE IDEAS INTO PRACTICAL NEGOTIATING FORMULAS AND DRAFTING AGREEMENTS.

- LOCALLY-DRAFTED PEACE PLANS HAVE NOT BECOME THE BASES FOR NEGOTIATIONS; RATHER, PLANS INITIATED BY OUTSIDE PARTIES CONSISTENTLY ARE SEEN AS FORMING THE BASIS FOR NEGOTIATIONS.

HISTORY, HOWEVER, DOES NOT FULLY SUPPORT THIS VIEW. SINCE 1967, INITIATIVES FOR BOTH WAR AND PEACE HAVE BEEN DEVELOPED IN THE REGION -- WITNESS EGYPT'S AND SYRIA'S DECISION TO GO TO WAR IN 1973, EGYPT'S AND ISRAEL'S DECISION IN 1977-8 TO ENGAGE DIRECTLY TO NEGOTIATE PEACE, AND THE AGREEMENT AT FEZ ON AN ARAB POSITION ON A POLITICAL SETTLEMENT. THE PARTIES THEMSELVES TOOK THE FUNDAMENTAL DECISIONS; THOSE DECISIONS WERE NOT IMPOSED FROM WITHOUT. AS THESE EVENTS UNFOLD, OUTSIDE MEDIATION MAY BE REQUIRED TO CONCLUDE THE PROCESS, BUT OUTSIDE INITIATIVES DID NOT PROVIDE THE BASIC START UP OF DIPLOMATIC ACTIVITY.

RECENT EVENTS CONTINUE THIS PATTERN. KING HUSSEIN'S EFFORTS DURING THE PAST TWO YEARS TO FIND A NEGOTIATING FORMULA WITH THE PALESTINIANS HAVE BEEN DRIVEN BY LOCAL IMPERATIVES AND FUELED BY LOCAL IDEAS. INDEED, I NEED POINT ONLY TO THE ISSUE OF AN INTERNATIONAL CONFERENCE TO ILLUSTRATE THIS POINT. HUSSEIN HAS INSISTED ON AN INTERNATIONAL CONFERENCE IN ORDER TO PROVIDE INTERNATIONAL SUPPORT FOR FACE-TO-FACE NEGOTIATIONS WITH ISRAEL; THE ISRAELI GOVERNMENT, WHILE NOT ENTHUSIASTIC OVER THIS IDEA, HAS BEEN GRAPPLING WITH WAYS TO MAKE AN INTERNATIONAL CONTEXT FOR NEGOTIATIONS ACCEPTABLE. OUTSIDE PARTIES, INCLUDING THE U.S., HAVE BEEN REACTIVE TO THE IDEAS OF

THE LOCAL PLAYERS, TENDING TO VIEW THESE PROPOSALS THROUGH PRISMS WHICH INCLUDE -- BUT FOR US CANNOT BE LIMITED TO -- THE MIDDLE EAST. WHILE KING HUSSEIN'S EFFORTS HAVE NOT YET REACHED FRUITION, THEY ILLUSTRATE THE CONTINUING REALITY THAT THE PARTIES TO THE MIDDLE EAST CONFLICT ARE TAKING THE LEAD TO DEVELOP FORMULAS TO RESOLVE KEY PROCEDURAL AND SUBSTANTIVE ISSUES.

SENSITIVE TO THIS SHIFT, OUR GOVERNMENT HAS WELCOMED -- IN FACT, ENCOURAGED -- THE LOCAL LEADERSHIP TO TAKE SUCH A LEAD AND HAS WORKED STEADILY WITH THE PARTIES TO HELP BRING THEM TO A POINT OF TAKING DECISIONS. OUR VIEWS ON MANY OF THE SUBSTANTIVE ISSUES TO BE DEALT WITH IN NEGOTIATIONS ARE ON THE TABLE -- WE BELIEVE NEGOTIATIONS SHOULD PROCEED ON THE BASIS OF RESOLUTION 242 AND 338, AND WE THINK THE POSITIONS OUTLINED BY PRESIDENT REAGAN IN 1982 REPRESENT AN EQUITABLE GOAL OF NEGOTIATIONS. BUT WE HAVE NOT SOUGHT TO IMPOSE THESE VIEWS. RATHER, WE HAVE SOUGHT TO NURTURE THE TENDENCY TOWARD LOCAL INITIATIVE, LENDING ASSISTANCE TO THIS EFFORT WHERE APPROPRIATE AND REFRAINING FROM TAKING THE LEAD. THE ESSENTIAL IS THAT, HOWEVER SLOWLY, THE PROCESS IS MOVING AHEAD -- THE REGIONAL PARTIES ARE APPROACHING FUNDAMENTAL DECISIONS ON THE NEED TO NEGOTIATE, AND THE U.S. IS ACTIVELY HELPING THE PARTIES TO REACH THESE DECISIONS.

EXHIBIT OLN-209

EXHIBIT
OLN-209

The President's News Conference of June 18, 1985

Trans World Airlines Hijacking Incident

The President. I have a statement. One hour ago the body of a young American hero Navy diver, Robert Dean Stethem, was returned to his native soil in a coffin after being beaten and shot at pointblank range.

His murder and the fate of the other American hostages still being held in Beirut underscore an inescapable fact: The United States is tonight a nation being attacked by international terrorists who wantonly kill and who seize our innocent citizens as their prisoners.

In response to this situation, I am directing that the following steps be taken. I have directed the Secretary of Transportation, in cooperation with the Secretary of State, to explore immediately an expansion of our armed sky marshal program aboard international flights of U.S. air carriers for better protection of passengers.

I have directed the Secretary of State to issue an immediate travel advisory for U.S. citizens traveling through the Athens International Airport warning them of dangers.

This warning shall remain in effect until the Greek Government has improved the security situation there and until it has demonstrated a willingness to comply with the security provisions of the U.S.-Greek civil aviation agreement and the Tokyo, Montreal, and Hague conventions regarding prosecution and punishment of air pirates.

I've asked for a full explanation of the events surrounding the takeover of the aircraft in Athens. I have appealed through the Department of Transportation and the Federal Aviation Administration for all U.S. air carriers to review the wisdom of continuing any flights into Athens until the security situation there improves.

And further, I have asked Secretaries Shultz and Dole to report to me on whether we should terminate the service of foreign air carriers whose governments do not honor appropriate international conventions or provide adequate security at their airports.

I'm calling upon all allied and friendly governments to redouble their efforts to improve airport security and take other measures to prevent the hijacking of aircraft. I will also be asking them to take steps to prevent travel to places where lawlessness is rampant and innocent passengers are unprotected. And I'm urging that no American enter any Middle Eastern country that does not publicly condemn and disassociate itself from this atrocity and call for the immediate safe release of our citizens.

Let me further make it plain to the assassins in Beirut and their accomplices, wherever they may be, that America will never make concessions to terrorists—to do so would only invite more terrorism—nor will we ask nor pressure any other government to do so. Once we head down that path there would be no end to it, no end to the suffering of innocent people, no end to the bloody ransom all civilized nations must pay.

This act of terrorism is a stain on Lebanon and particularly on those Lebanese in whose name it has been done. Those in Lebanon who commit these acts damage their country and their cause, and we hold them accountable.

I call upon those holding our people to release them without condition. I call upon the leaders of Lebanon, political and religious, to meet their responsibilities and to do all that is necessary to end this crime now in the name of the God they worship. And I call on other governments to speak out and use their influence as well.

This attack is an attack on all citizens of the world who seek to live free from the fear and scourge of terrorism. My thoughts and prayers are, as are those of all Americans, with the prisoners now being held in Lebanon and with their families.

Let me conclude by stating the obvious. We're in the midst of a dangerous and volatile situation. Before taking your questions, I must stress that speculation tonight over what steps we might or might not take in hypothetical circumstances can only lead terrorists to work harder. Consequently, there are many questions to which I should not and cannot respond. I think I have in this statement covered virtually all the points that I can safely discuss, and I'm sure that you would understand the reason for that.

And so, that said, Mike Putzel, Associated Press, has the first question.

Q. Good evening, Mr. President. The world's attention is focused tonight on the victims of TWA Flight 847. But as you know, there are seven other Americans who were kidnaped earlier and have spent 3 months to a year in captivity——

The President. Yes.

Q. ——in Lebanon. Will you accept a solution to the current crisis in Beirut that leaves any Americans still in captivity, either from the airplane or those kidnaped earlier?

The President. We certainly include those in every conversation we have with regard to our people there. And this has gone on—the instance of one of them—for a considerable period of time. And we have used every effort to see if we can locate who has them, where they are, whether they're together or separated, and where they might be, because we cannot give up on them. And I hope that they have confidence in that.

And yet, as you can imagine, it is an extremely difficult, seemingly impossible task in that area, with all the factions there, to know where—whether they are being moved about and what we can do. But no, we haven't given up on them, and we include them in all of our conversations about the present hijack victims.

Q. If I may follow up, sir. Can you tell us, sir, what happened to the policy of swift and effective retribution that you announced 4½ years ago to deal with international terrorism such as that that we've seen——

The President. Well, when I was speaking about that I was talking about a situation in which a government on the other side was involved—so there was a direct source there for the evil. I would have to tell you—and I can't go farther than this in telling you—that the problem is the who in perpetrating these deeds—who their accomplices are, where they are located—because retaliation in some peoples' minds might just entail striking a blow in a general direction, and the result would be a terrorist act in itself and the killing and victimizing of innocent people.

Now, as far as I can go is to tell you that we have used our utmost capacity and intelligence gathering to try and find these people and these places that I'm talking about. And I can only say that we have gathered a considerable body of evidence, but I'm not going beyond that.

Q. Mr. President, do you think that any of the U.S. policies, past and present, have contributed to the rise of radicalism and anti-Americanism in the Middle East? And I'd like to follow up.

The President. Helen [Helen Thomas, United Press International], no, I don't believe that we have. Possibly when we had a peacekeeping force there in connection with our allies—the other countries that had forces in there—we realize that as they began to succeed in keeping some semblance of order in that turmoil, terrorism rose up to strike at all of us that were there in an effort to make our job impossible. And that's why the international force withdrew.

We seem to be a target, also, I'm quite sure, because of our friendship and support of Israel. It just seems there is an anti-Americanism that is rampant there on the part of those who don't want peace with Israel and who have consistently over the years committed terrorist acts against the Israelis.

Q. Mr. President, they wonder why you don't lean on Israel a little bit since the U.S. says that the holding of the Shiite prisoners is against international law—that's our position.

The President. Yes.

Q. Israel has said she is willing to, so why don't you promote it?

EXHIBIT OLN-210

Continuation of Iran Emergency

Notice of November 10, 1986

On November 14, 1979, by Executive Order No. 12170, the President declared a national emergency to deal with the threat to the national security, foreign policy, and economy of the United States constituted by the situation in Iran. Notices of the continuation of this national emergency were transmitted by the President to the Congress and the *Federal Register* on November 12, 1980, November 12, 1981, November 8, 1982, November 4, 1983, November 7, 1984, and November 1, 1985. Because our relations with Iran have not yet returned to normal and the process of implementing the January 19, 1981, agreements with Iran is still underway, the national emergency declared on November 14, 1979, must continue in effect beyond November 14, 1986. Therefore, in accordance with Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), I am continuing the national emergency with respect to Iran. This notice shall be published in the *Federal Register* and transmitted to the Congress.

Ronald Reagan

The White House,
November 10, 1986.

[Filed with the Office of the Federal Register, 10:02 a.m., November 12, 1986]

EXHIBIT
OLN-210

EXHIBIT OLN-211

EXHIBIT
OLN-211

Columbia, Missouri

Remarks to a Sixth Grade Class at Fairview Elementary School. March 26, 1987

The President. Well, I've enjoyed this. I wish it could go on longer. I hope that you all realize that you are part of a really exceptional school system. That's why we're here. The schools here in Columbia have achieved so much improvement over the years and such quality, that's why the Secretary and I and the others are all here.

But also in this civics class, and what you were doing—you know, it brings to mind about people like myself, like the Secretary and the people that you were talking about there in the Congress. We don't really make the country great, you and Mrs. Hassemer, and you and your parents and the people of this country determine the quality of the country, because all of us work for you. We're the employees of the people of this country. And if the people of America are good, and they are, and they're patriotic, things will go right.

Many years ago, in fact more than 100 years ago, when this brandnew country had suddenly achieved such stature and was so great and becoming powerful, a French writer came to this country. His name was de Tocqueville. He came because Europe was amazed. They wanted to find out: How did we do it? And he came and went all over America to meet the people and to look and to see, and went back and wrote a book about it. And he wrote one line in that book that was very wonderful in explaining things. He said: "America is great because America is good. And if America ever stops being good, America will stop being great."

And with all of this, and the checks and balances which you've been speaking about here today, the legislative, the executive branch, the judicial branch over all, to make sure we obey the law, all points up to the fact that, when we had our Revolution 200 years ago—there had been revolutions all over the world before and since. But most of those revolutions just changed one set of rulers for another set of rulers. Our Revolution was much deeper than that. We created something that had never before been done in the history of man. We created a government that was run by the people. And that's the difference between our Constitution and all those others.

I've read an awful lot of constitutions. I've read the Soviet Constitution. It talks about right of assembly and freedom of speech and things of that kind. But what's the big difference, then, between theirs and ours? Well, all those other constitutions say we the government will allow you, the people, to do the following things. Our Constitution says we, the people, will allow the Government to do the following things, and the Government can't do anything that is not prescribed there in the Constitution.

And that makes us so totally different from anyone else in the whole world. And pretty soon, you're going to be growing up and be in a new century, and you're going to be running the country. And you don't have to hold public office to do that. You, the people, are in charge.

I could go on here, but I know I shouldn't. Could I, just as a closing on here—since you were all being asked so many questions, I know I've only have time for one. We have to move on to some other classes.

Would someone like to ask—well, my partner here would.

Student. All this publicity and the press and stuff, they would scare me out of my mind. I just wonder what is it that made it worthwhile to you?

The President. That had made it so what?

Q. Worthwhile to you.

The President. What had made it worthwhile? Well, this was one of the things why I asked for a commission to be appointed to bring out all the facts. You know, there was a revolution in a country called Iran, and the Ayatollah Khomeini took over and became the dictator of that country. Before that, it had a royal family, the Shah, the King. And he was thrown out of the country. But he had been—well, I knew him personally, and had met him and had been there in Iran. And he was doing what he thought was right for the people.

Then, this revolution decided that we, the United States, we were the Great Satan, we were the evil force. And yet, that's a very strategic country there in the Middle East, where there is so much trouble. And yet, where so much trouble for the world can be caused. And we got word that some people there in the government would like to talk to us about maybe reestablishing a friendly relationship between the two countries.

Now, there is a terrorist group in another country, Lebanon, that we believe also sort of may not take orders exactly, but it gets its direction from the Ayatollah Khomeini's government. And they are holding some Americans as hostages. They've kidnaped them, and they're holding them there. They've had them there more than a year.

And we thought this was an opportunity—if we could establish a better relationship with these people in the Iranian Government who wanted to have a better relationship, or said they did. And, so, we sent some people over to start talking to them. And they wanted us to prove that we really were serious. And, so, they asked us to sell them some weapons. We hadn't been doing that because they're engaged in a war.

But these people said they were opposed to the war themselves, and they would like to see it ended. So we agreed, but on a basis that we said you can prove your qualifications as you're asking us to prove ours by seeing if you could get this terrorist group to free our hostages. And we would each do this for each other.

Well, this is what we started. And I'm afraid it wasn't carried out the way we had thought it would be. It sort of settled down to just trading arms for hostages, and that's a little like paying ransom to a kidnaper. If you do it, then the kidnaper's just encouraged to go kidnap someone else.

And finally, all of this came out into the open. Up until then, we'd had to keep everything very secret because we felt that the people who were talking to us from Iran would be executed by their government if they were found doing this. And it all came out in the public. I don't know what has happened to all those people there or not. And I have to say that I still think that the idea was right to try and establish a friendly relationship, try and bring about peace between the two countries that are at war, and try and get our people freed. But it kind of deteriorated into something else, and as I said the other night on television, I won't make that mistake again.

Well, I know that I've talked too much here, and——

Mrs. Hassemer. Thank you for coming. We really appreciate it. I understand you need to get down to third grade.

The President. Yes.

Mrs. Hassemer. We do appreciate your coming today. Let's thank the President and Secretary Bennett for coming. [*Applause*]

The President. When you're studying these particular things, this particular course, remember how important it is. Because Thomas Jefferson—you all know who he was back in our history—Thomas Jefferson said: "If the people have all the facts and know the truth, the people will never make a mistake."

Thank you all very much.

Note: The President spoke at 12:10 p.m. to Mrs. Elaine Hassemer's sixth grade class.

Prior to his remarks, the President and Secretary of Education William J. Bennett listened to a classroom discussion on the U.S. Constitution's separation of powers.

EXHIBIT OLN-212

Table 2

Nicaragua - The Military Buildup, July 1979 to 11 January 1985 (U)

	No. Arms Shipments/ Period	Thousand Metric Tons/ Period	Million US Dollars/ Period	Total Force*	Tanks	Other Armored Vehicles	Fix-Winged Aircraft/ Helicopters**	Airfields	ADA Guns/ Msl Lchrs	Radars
Jul 79	-	-	-	6,000	3	31	30/8	4	2/0	0
Jan 80	-	-	-	16,000	3	31	30/8	4	2/0	0
Jan 81	-	-	6	24,000	3	25	40/8	4	39/6	0
Jan 82	2	1	40	39,000	30	45	40/10	4	100/6	0
Jan 83	6	7	90	41,000	50	45	40/15	4	150/30	0
Jan 84	25	10	120	46,000	50	90	44/15	4	150/30	Some
Jan 85	37	18	250	62,000	150	200	45/20	5	200/300	Some
Jan 85	-	-	-	62,000	150	200	45/20	5#	200/300	Some

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*Active duty and mobilized militia/reserves.

**In some years, deliveries and losses (combat and otherwise) resulted in no net gain.

#Construction at Punta Huete continues with approximately 2,470 meters of the new runway complete. Concrete pouring in revetments and connecting axiway was also noted.

UNCLASSIFIED

EXHIBIT
OLN-212

EXHIBIT OLN-213

UNOFFICIAL TRANSLATION OF THE "DOCUMENT ON NATIONAL DIALOGUE OF THE NICARAGUAN RESISTANCE" AS SIGNED BY THE VARIOUS RESISTANCE LEADERS AND READ TO MEMBERS OF THE NICARAGUAN EXILE COMMUNITY IN SAN JOSE, COSTA RICA, 11:30 A.M., COSTA RICA TIME, MARCH 8 1985.

We, democratic citizens, representatives of all sectors of the Nicaraguan Resistance, announce to the Nicaraguan people, to the governments and peoples of the Americas and of the world, the following manifesto:

THE PRESENT SITUATION OF NICARAGUA

In recent years, the Sandinista Front has submerged our people in a crisis without precedent in our national history.

At this time, the impact of this crisis is evident in the economic, political, social and moral spheres of the nation.

This situation is rooted both in the abandonment of the Original Program of Government and the Fundamental Statute as well as in the interference of the Soviet Bloc in our internal affairs.

Both factors, the sole responsibility of the Sandinista Front, have brought about a sharp conflict whose protagonists are the governing party on the one hand and the Nicaraguan people on the other.

The Nicaraguan people reject, of course, the imposition of a regime which in essence contradicts the values and aspirations which gave birth to the revolutionary process. They are founded on the recovery of freedom, democracy and social justice so often postponed because of the Somoza regime.

In conclusion, the national crisis we face did not grow out of a confrontation between imperialism and the revolution, as the Sandinista Front pretends, but out of the contradictions which emerge from the clash between democratic expectations of the Nicaraguan people and the imposition of a totalitarian system such as that which is being implanted in our country by the Sandinista Frc

This conflict, which has produced a civil war, today threatens to destroy the Nicaraguan nation. And as stated in the recent document of the Nicaraguan Democratic Coordinator, it cannot be resolved through negotiations between the governments of other nations and the Sandinista Front nor through sectarian dialo

EXHIBIT
OLN-213

From that perspective, it is clear that the elections of November 4, 1984, by virtue of having been a farse, contributed nothing toward the resolution of the national crisis. This view has been supported by the Inter-American Commission of Human Rights in its report for the period 1983-84, as well as by the political groups which decided to participate in the "elections", as they stated in the document entitled "Proposals of Minimum Concurrence for the Renewal of the National Dialogue," issued in January of this year.

The solution to the national crisis can only be found through a genuine understanding among all Nicaraguans that might end the civil war and lead to the reconciliation of the Nicaraguan family.

We wish to emphasize that this initiative is not taken merely to search for a quota of power, but rather it seeks only to establish in Nicaragua the rule of law which will permit the people to live in peace and to go about resolving our problems within a new constitutional order.

COMMON ASPIRATIONS

We aspire to the democratization of Nicaragua, conscious that democracy is the only means to carry out an authentic revolution and rescue our national identity and sovereignty.

We aspire to reconstructing Nicaragua, to promoting its devolopment in accordanc with a model which gives priority to the dispossessed sectors.

We aspire to the establishment of a political system which guarantees a real separation of powers, authentic pluralism and a just, efficient mixed economy.

In order to carry out the foregoing, the following is required:

a) To recognize the primacy of civilian society with respect to the State and to assure through it the dissolution of the totalitarian state-party-army trilogy.

b) Full respect for human rights and fundamental freedoms of expression, assembly, religion and education.

c) De-militarization of society and the absolute subjection of police functi to civilian authority.

d) A foreign policy which has as ojbectives the preservation of national sovereignty, peace and harmony with neighboring countries in particular, and effective reactivation of the historical aspirations of Central American Unity.

e) An economic system which provides for the development of the private sector which includes cooperative enterprises, as well as the clear definition of the participation of the State as a subsidiary economic agent and promoter of social development.

f) Institutionalization of a multi-party electoral system which guarantees free elections, alternation in power and respect for the minority.

g) Freedom to organize unions.

h) A modern, productive process of integral agrarian reform.

i) Administrative decentralization and effective autonomy for municipal government.

j) Full recovery of the Atlantic Coast, integrating it completely in the national life, guaranteeing respect for the culture and traditions of the various ethnic groups of the region and of the rest of the country within a framework of effective municipal autonomy, exercised in the context of the insolubility of the Nicaraguan nationality.

k) General amnesty and pardon for political crimes and related crimes.

l) Expulsion from the country of all foreign internationalists, military advisors and troops, including those who may be found using the identity of deceased Nicaraguan citizens and those who have been improperly naturalized.

THE LAST AND DEFINITIVE SUMMONS

After having carried out multiple peace initiatives in the last three years directed toward establishing a constructive dialogue with the Sandinista Front that would end the civil war and lead to the reconciliation of the Nicaraguan family, we recognize that those efforts have been fruitless because of the intransigence of the Sandinista regime and because of the designs of the Soviet bloc.

The Sandinista Front, by ignoring and failing to comply with the agreements made in the past, has lost the necessary credibility to reach a good faith understanding. Such is the case of the agreements reached with the XVII Consultative Meeting of the OAS Council of Ministers, the Original Program of Government, the Fundamental Statute, the Eighteen Points of Concurrence of the Forum for Discussion of National Problems, and the promises to carry out a free and honest election, among others.

Therefore, in view of the gravity of the moment, and conscious of our civic responsibilities and of the urgent need to save our people from greater suffering, we accept the call to convene issued by the Nicaraguan Democratic Coordinator and we call upon the Sandinista Front, for the last time, and in definitive and absolute fashion, to participate in a national dialogue which will end the national crisis. This dialogue should follow these modalities:

Convocation

The Nicaraguan Bishops Conference is the entity with the necessary moral authority to organize and coordinate the National Dialogue. In this regard, we reiterate the petition made to it by the Democratic Coordinator to convene the National Dialgoue.

Participants

In order that the dialogue be efficient and produce the desired results, it is necessary to structure it in accordance with Nicaraguan reality. There are two political tendencies in Nicaragua: the totalitarian one which for the moment has accepted the Sandinista Front as its vanguard, and the democratic one which is divided into armed organizations and civilian organizations; therefore, the Dialogue should be between these two political tendencies so that both can name their respective delegates, as many as the Bishops Conference feels is appropriat

Observers and Guarantors

We suggest to the Bishops Conference that it request the participation of the Central American Governments in the Dialogue as guarantors of the agreements which may be reached, given the fact that the sister peoples of Central America are, in the final analysis, are those which have been most directly affected by the Nicaraguan crisis.

The presence of these governments as guarantors in no way hinders the presence as observers or even as guarantors of other governments and democratic entities of the American continent.

Minimum Requirements

We support fully the minimum requirements demanded by the Democratic Coordinator in order to initiate the National Dialogue. They are: Suspension of armed activities, with a cease-fire in situ; lifting of the state of emergency; absolute freedom of expression and assembly; general amnesty and pardon for political crimes and related crimes; entry into effect of the right of asylum and habeus corpus, adding the granting of full protection of the physical and moral integrity of those members of the Resistance who participate in the Dialogue, in the event that it should take place in Nicaragua.

The application of these measures should be carried out under the supervision of the guarantor governments.

Temporary Permanence of the Executive

If this dialogue is carried out, we commit ourselves to accept that Mr. Daniel Ortega continue acting as head of the Executive Branch until such time as the people pronounce themselves in a plebiscite. During this period, Mr. Ortega should govern in fulfillment of the promises of the Nicaraguan Revolutionary Government Junta contained in the document of July 12, 1979 and directed to the Secretary General of the Organization of American States, an in fulfillment of the Original Program of Government, the Fundamental Statute and the American Human Rights Convention and the Pact of San Jose.

Initial Points of the Agenda

Although it will be up to the Bishops Conference to establish a definitive agenda, by agreement of the parties, we urge it to include as of now the following points:

1) That the legal procedure and actions of the government conform immediately to the American Convention of Human Rights, or the Pact of San José, which was ratified by the Nicaraguan Governement of National Reconstruction on September 25, 1979, declaring it the law of the land and committing the national honor to its enforcement.
2) The dismantlement and immediate dissolution of all the party repressive organisms such as the CDS (Sandinista Defense Committees) and the other para-military organs.
3) eduction of military strength, the apolitical nature of the army, an end to the arms race, and the withdrawal of all foreign military troops and advisors and internationalists.
4) Immediate dissolution of the National Constituent Assembly.
5) A new provisional electoral law.
6) A new provisional law for political parties.
7) Re-structuring of the electoral system in accordance with the above provisional laws.
8) Calling of elections for a National Constituent Assembly.
9) Calling of municipal elections.
10) Calling of a plebiscite on the conduct of new presidential elections.

Initiation of the National Dialogue, Instrumentation and Deadlines

In order to carry out the National Dialogue proposed by the Democratic Coordinator, on the basis of the statements contained in this document, and conscious of the leninist tactic of stalling in order to consolidate the totalitarian program of the Frente Sandinista, said Dialogue must begin by March 20, 1985. This date cannot be postponed. If by April 20, 1985 the National Dialogue has not begun or has not progressed in clear and substantial form, it will be definitely suspended by the Nicaraguan Resistance, thereby terminating the possibilities for a peaceful resolution of the national crisis.

If the Nicaraguan Bishops Conference considers it useful to hold conversations with this group for purposes of preparations leading to the speedy realization of the Dialogue, we announce our immediate availability to participate in such conversations. To that end we appoint as our representatives Mssrs. Arturo J. Cruz, Alfonso Robelo and Adolfo Calero.

May love for our fatherland overcome selfishness and foreign involvement, so that the National Directorate of the Sandinista Front will respond positively to this our last effort to grant to our country a civilized solution.

God Save Nicaragua!

EXHIBIT OLN-214

March 30, 1985

THE WASHINGTON POST

'We Will Never Negotiate With The *Contras*'

The Post urges the government of Nicaragua to negotiate with the CIA-supported *contras*, who have been fighting for four years to overthrow it ["A Fair Offer to the Sandinistas," editorial, March 17].

My government believes in negotiations, and is committed to seeking a peaceful solution to the current crisis through genuine negotiations with its adversaries, both foreign and domestic. We are active participants in the Contadora process (we alone accepted the Contadora peace proposal last September); we were participating in the Manzanillo talks; and we are carrying on a dialogue with the civilian opposition within Nicaragua. But we will never negotiate with the *contras*. Here is why:

1. The *contras* are led by officers of the hated *Guardia Nacional*, the main prop of the Somoza dictatorship that brutalized the Nicaraguan people for more than 40 years until our Sandinista Revolution threw them out in July 1979. This is confirmed by the U.S. Defense Intelligence Agency, which has reported that the FDN, the main *contra* group, is "led by Col. Enrique V. Bermudez—former GN member and last Nicaraguan military attaché to the U.S. under the government of President Anastasio Somoza—and by other ex-GN officers." All key military positions are filled by former GN officers, including Col. Ricardo Lau—chief of *contra* counterintelligence, who, The Post recently reported, participated in the murder of Salvadoran Archbishop Oscar Romero.

As revealed by *contra* commanders to Post reporter Edward Cody [Feb. 28], the civilians who comprise the FDN's "political directorate" were actually handpicked by the CIA for the sole purpose of cleaning up the *contras'* image. These front men, who are trotted out from time to time to lobby Congress and meet with editorial boards of major newspapers, have no influence whatever. The Somocistas have all the guns.

2. The *contras* are terrorists whose attacks are directed primarily against our civilian population. From their bases in Honduras and Costa Rica, they penetrate our territory and murder, torture, mutilate, kidnap and abuse defenseless women, children and men. They destroy farms, health centers, food storage depots and schools. Recent reports by Americas Watch and the International Human Rights Law Group—respected American human-rights organizations—confirm dozens of My Lai-type atrocities by *contra* forces and accuse the *contras* of a deliberate campaign of terror against civilians. Official reports from Honduras accuse the *contras* of murdering civilians there. And now we see that the *contras* were responsible even for the killing of Archbishop Romero.

3. The *contras* are not an indigenous rebel group, but a collection of mercenaries recruited, paid, armed and directed by the CIA, and they would cease to exist without U.S. support. The Post simply ignores the facts when it says the United States is not the cause of the armed conflict in Nicaragua. In November 1981, when the CIA received President Reagan's authorization to create a counterrevolutionary army to overthrow the Nicaraguan government, there were only a few hundred ex-GN soldiers staging sporadic raids on farms along the border. Their principal occupations were cattle-rustling and extortion. It was the CIA, spending more than $100 million of the American taxpayers' money, that created the current 10,000-man force.

4. Notwithstanding the foregoing, my government has already made a fair offer to the *contras*, including the right to return to Nicaragua and run for elected office. On Jan. 22, the government decreed a general amnesty for all *contras*, without exception, including their military and political leaders. The decree allows them to return to Nicaragua and to participate fully in the social and political life of the country. My government has also committed itself to repeal the state of emergency (imposed in March 1982 in direct response to the war) and fully restore all of the civil and political rights that the Sandinista Revolution promised the Nicaraguan people, including freedom of the press, now partially limited because of the war. To accept the benefits of this amnesty the *contras* need do just one thing: lay down their arms.

If they are really fighting for democracy, as their propagandists claim, they can have it. It has already been offered to them. It is, by any objective standard, a fair offer. It could lead to a just and lasting peace and to the complete democratization of our country. That is what we wish.

The "offer" made by the *contras* is not an offer at all. It is another of the CIA's propaganda moves to make the *contras* appear to be peace-loving democrats—which they are not—and to justify more congressional funding for this illegal and immoral war.

—Carlos Tunnermann Bernheim

The writer is Nicaragua's ambassador to the United States.

EXHIBIT
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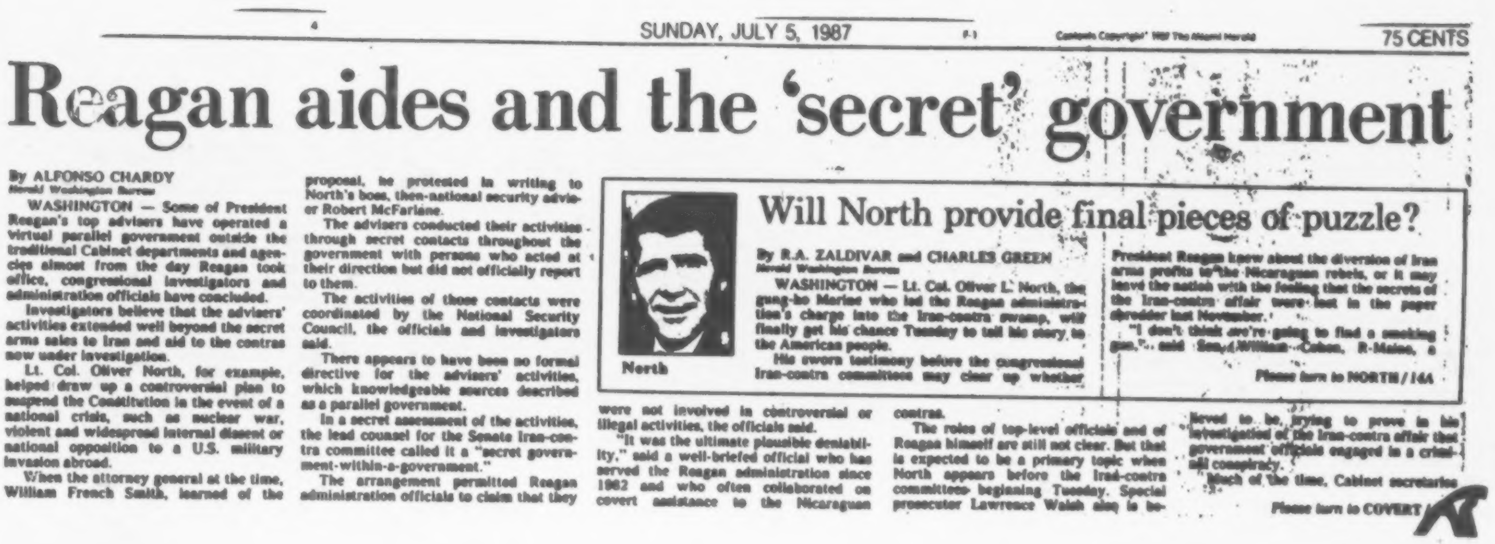
EXHIBIT OLN-215



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Reagan aides and the 'secret' government

By ALFONSO CHARDY
Herald Washington Bureau

WASHINGTON — Some of President Reagan's top advisers have operated a virtual parallel government outside the traditional Cabinet departments and agencies almost from the day Reagan took office, congressional investigators and administration officials have concluded.

Investigators believe that the advisers' activities extended well beyond the secret arms sales to Iran and aid to the contras now under investigation.

Lt. Col. Oliver North, for example, helped draw up a controversial plan to suspend the Constitution in the event of a national crisis, such as nuclear war, violent and widespread internal dissent or national opposition to a U.S. military invasion abroad.

When the attorney general at the time, William French Smith, learned of the proposal, he protested in writing to North's boss, then-national security adviser Robert McFarlane.

The advisers conducted their activities through secret contacts throughout the government with persons who acted at their direction but did not officially report to them.

The activities of those contacts were coordinated by the National Security Council, the officials and investigators said.

There appears to have been no formal directive for the advisers' activities, which knowledgeable sources described as a parallel government.

In a secret assessment of the activities, the lead counsel for the Senate Iran-contra committee called it a "secret government-within-a-government."

The arrangement permitted Reagan administration officials to claim that they were not involved in controversial or illegal activities, the officials said.

"It was the ultimate plausible deniability," said a well-briefed official who has served the Reagan administration since 1982 and who often collaborated on covert assistance to the Nicaraguan contras.

The roles of top-level officials and of Reagan himself are still not clear. But that is expected to be a primary topic when North appears before the Iran-contra committees beginning Tuesday. Special prosecutor Lawrence Walsh also is believed to be trying to prove in his investigation of the Iran-contra affair that government officials engaged in a criminal conspiracy.

Much of the time, Cabinet secretaries

Please turn to COVERT /

Will North provide final pieces of puzzle?

North

By R.A. ZALDIVAR and CHARLES GREEN
Herald Washington Bureau

WASHINGTON — Lt. Col. Oliver L. North, the gung-ho Marine who led the Reagan administration's charge into the Iran-contra swamp, will finally get his chance Tuesday to tell his story to the American people.

His sworn testimony before the congressional Iran-contra committees may clear up whether President Reagan knew about the diversion of Iran arms profits to the Nicaraguan rebels, or it may leave the nation with the feeling that the secrets of the Iran-contra affair were lost in the paper shredder last November.

"I don't think we're going to find a smoking gun," said Sen. William Cohen, R-Maine, a

Please turn to NORTH / 14A

EXHIBIT
OLN-215

COVERT / *from 1A*

and their aides were unaware of the advisers' activities. When they periodically detected operations, they complained or tried to derail them, interviews show.

But no one ever questioned the activities in a broad way, possibly out of a belief that the advisers were operating with presidential sanction, officials said.

Reagan did know of or approve at least some of the actions of the secret group, according to previous accounts by aides, friends and high-ranking foreign officials.

One such case is the 1985 visit to Libya by William Wilson, then-U.S. ambassador to the Vatican and a close Reagan friend, to meet with Libyan leader Col. Moammar Gadhafi, officials said last week. Secretary of State George Shultz rebuked Wilson, but the officials said Reagan knew of the trip in advance.

The heart of the secret structure from 1983 to 1986 was North's office in the Old Executive Office Building adjacent to the White House, investigators believe.

North's influence within the secret structure was so great, the sources said, that he was able to have the orbits of sophisticated surveillance satellites altered to follow Soviet ships around the world, call for the launching of high-flying spy aircraft on secret missions over Cuba and Nicaragua and become involved in sensitive domestic activities.

Many initiatives

Others in the structure included some of Reagan's closest friends and advisers, including former national security adviser William Clark, the late CIA Director William Casey and Attorney General Edwin Meese, officials and investigators said.

Congressional investigators said the Iran deal was just one of the group's initiatives. They say exposure of the unusual arrangement may be the legacy of their inquiry.

"After we establish that a policy decision was made at the highest levels to transfer responsibility for contra support to the NSC . . ., we favor examining how that decision was implemented," wrote Arthur Liman, chief counsel of the Senate committee, in a secret memorandum to panel leaders Sens. Daniel Inouye, D-Hawaii, and Warren Rudman, R-N.H., before hearings began May 5.

"This is the part of the story that reveals the whole secret government-within-a-government, operated from the [Executive Office Building] by a Lt. Col., with its own army, air force, diplomatic agents, intelligence operatives and appropriations capacity," Liman wrote in the memo, parts of which were shared with The Herald.

A spokesman for Liman declined comment but did not dispute the memo's existence.

A White House official rejected the notion that any of Reagan's advisers were operating secretly.

"The president has constantly expressed his foreign policy positions to the public and has consulted with the Congress," the official said.

Began in 1980

Congressional investigators and current and former officials interviewed — members of the CIA, State Department and Pentagon — said they still do not have a full record of the impact of the advisers' activities.

But based on investigations and personal experience, they believe the secret governing arrangement traces its roots to the last weeks of Reagan's 1980 campaign.

Officials say the genesis may have been an October 1980 decision by Casey, Reagan's campaign manager and a former officer in the World War II precursor of the CIA, to create an October Surprise Group to monitor Jimmy Carter's feverish negotiations with Iran for the release of 52 American hostages.

The group, led by campaign foreign policy adviser Richard Allen, was founded out of concern Carter might pull off an "October surprise" such as a last-minute deal for release of the hostages before the Nov. 4 election. One of the group's first acts was a meeting with a man claiming to represent Iran who offered to release the hostages to Reagan.

Allen — Reagan's first national security adviser — and another campaign aide, Laurence Silberman, told The Herald in April of the meeting. They said McFarlane, then a Senate Armed Services Committee aide, arranged and attended it. McFarlane later became Reagan's national security adviser and played a key role in the Iran-contra affair. Allen and Silberman said they rejected the offer to release the hostages to Reagan.

Briefing book theft

Congressional aides now link another well-known campaign incident — the theft of confidential briefing materials from Carter's campaign before the Oct. 28, 1980, Carter-Reagan debate — to the same group of advisers.

They believe that Casey obtained the briefing materials and passed them to James Baker, another top Reagan campaign aide, who was White House chief of staff in Reagan's first term.

SOME SECRET ACTIVITIES

Sources say the parallel government behind the Reagan administration engaged in secret actions including:

A CONTINGENCY plan to suspend Constitution and impose martial law in United States in case of nuclear war or national rebellion.

1985 VISIT to Libya by William Wilson, then U.S. ambassador to Vatican and close Reagan friend, to meet with Libyan leader Col. Moammar Gadhafi.

HAVING ROUTES of sophisticated surveillance satellites altered to follow Soviet ships around world.

LAUNCHING of spy aircraft on secret missions over Cuba and Nicaragua.

PROPOSAL in 1981 to provide covert support of anti-Sandinista groups that fled Nicaragua after Sandinista revolution in 1979.

DISSEMINATION of information that cast Nicaragua as threat to neighbors and United States.

Before Reagan was elected, campaign aides who became the president's top advisers carried out these secret activities:

CREATION in 1980 of October Surprise Group to monitor President Carter's negotiations with Iran for release of 52 American hostages. Group met with man who claimed to represent Iran and who offered to release hostages to Reagan. Offer declined, officials say.

ACQUISITION of stolen confidential briefing materials from Carter's campaign before Oct. 28, 1980, Carter-Reagan debate.

Once Reagan was sworn in, the group moved quickly to set itself up, officials said. Within months, the advisers were clashing with officials in the traditional agencies.

Six weeks after Reagan was sworn in, apparently over State Department objections, then-CIA Director Casey submitted a proposal to Reagan calling for covert support of anti-Sandinista groups that had fled Nicaragua after the

Please turn to COVERT / 15A

COVERT / from 14A

1979 revolution.

It is still unclear whether Casey cleared the plan with Reagan. But in November 1981 the CIA secretly flew an Argentine military leader, Gen. Leopoldo Galtieri, to Washington to devise a secret agreement under which Argentine military officers trained Nicaraguan rebels, according to an administration official familiar with the agreement.

About the same time, North completed his transfer to the NSC from the Marine Corps. Those who worked with North in 1981 remember his first assignments as routine, although not unimportant.

North, they recalled, was briefly assigned to carry the "football," the briefcase containing the secret contingency plans for fighting a nuclear war, which is taken everywhere the president goes. North later widened his assignment to cover national crisis contingency planning. In that capacity he became involved with the controversial national crisis plan drafted by the Federal Emergency Management Agency.

National crisis plan

From 1982 to 1984, North assisted FEMA, the U.S. government's chief national crisis-management unit, in revising contingency plans for dealing with nuclear war, insurrection or massive military mobilization.

North's involvement with FEMA set off the first major clash between the official government and the advisers and led to the formal letter of protest in 1984 from then-Attorney General Smith.

Smith was in Europe last week and could not be reached for comment.

But a government official familiar with North's collaboration with FEMA said then-Director Louis O. Guiffrida, a close friend of Meese's, mentioned North in meetings during that time as FEMA's NSC contact.

Guiffrida could not be reached for comment, but FEMA spokesman Bill McAda confirmed the relationship.

"Officials of FEMA met with Col. North during 1982 to 1984," McAda said. "These meetings were appropriate to Col. North's duties with the National Security Council and FEMA's responsibilities in certain areas of national security."

FEMA's clash with Smith occurred over a secret contingency plan that called for suspension of the Constitution, turning control of the United States over to FEMA, appointment of military commanders to run state and local governments and declaration of martial law during a national crisis.

The plan did not define national crisis, but it was understood to be nuclear war, violent and widespread internal dissent or national opposition against a military invasion abroad.

Plan was protested

The official said the contingency plan was written as part of an executive order or legislative package that Reagan would sign and hold within the NSC until a severe crisis arose.

The martial law portions of the plan were outlined in a June 30, 1982, memo by Guiffrida's deputy for national preparedness programs, John Brinkerhoff. A copy of the memo was obtained by The Herald.

The scenario outlined in the Brinkerhoff memo resembled somewhat a paper Guiffrida had written in 1970 at the Army War College in Carlisle, Pa., in which he advocated martial law in case of a national uprising by black militants. The paper also advocated the roundup and transfer to "assembly centers or relocation camps" of at least 21 million "American Negroes."

When he saw the FEMA plans, Attorney General Smith became alarmed. He dispatched a letter to McFarlane Aug. 2, 1984, lodging his objections and urging a delay in signing the directive.

"I believe that the role assigned to the Federal Emergency Management Agency in the revised Executive Order exceeds its proper function as a coordinating agency for emergency preparedness," Smith said in the letter to McFarlane, which The Herald obtained. "This department and others have repeatedly raised serious policy and legal objections to the creation of an 'emergency czar' role for FEMA."

PRINCIPALS

William Clark: Allowed bigger North role at NSC.

William Casey: Kept guard on President Carter.

It is unclear whether the executive order was signed or whether it contained the martial law plans. Congressional sources familiar with national disaster procedures said they believe Reagan did sign an executive order in 1984 that revised national military mobilization measures to deal with civilians in case of nuclear war or other crisis.

Orchestrated news leaks

Around the time that issue was producing fireworks within the administration, McFarlane and Casey reassigned North from national crisis planning to international covert management of the contras. The transfer came after North took a personal interest, realizing that neither the State Department nor any other government agency wanted to handle the issue after it became clear early in 1984 that Congress was moving to bar official aid to the rebels.

The new assignment, plus North's natural organizational ability, creativity and the sheer energy he dedicated to the issue, gradually led to an expansion of his power and stature within the covert structure, officials and investigators believe.

Meese also was said to have played a role in the secret government, investigators now believe, but his role is less clear.

Meese sometimes referred private American citizens to the NSC so they could be screened and contacted for soliciting support for the Nicaraguan contras.

One of these supporters, Philip Mabry of Fort Worth, told The Herald earlier this year that in 1983 he was told by fellow conservatives in Texas to contact Meese, then White House counselor, if he wanted to help the contras. After he contacted Meese's office, Mabry received a letter from Meese obtained by The Herald advising him that his name had been given to the "appropriate people."

Shortly thereafter, Mabry said, a woman who identified herself as Meese's secretary gave him the name and phone number of another NSC secretary who, in turn, gave him North and his secretary, Fawn Hall, as contacts.

Meese's Justice Department spokesman, Patrick Korten, denies that Meese was part of North's secret contra supply network and notes that Meese does not recall having referred anyone to North on contra-related matters.

In addition to North's role as contra commander and fund-raiser, North became covert overseer of the State Department's Office of Public Diplomacy, through which the Reagan administration disseminated information that cast Nicaragua as a threat to its neighbors and the United States.

An intelligence source familiar with North's relationship with that office said North was directly involved in many of the best publicized news leaks, including the Nov. 6, 1984, Election Day announcement that Soviet-made MiG jet fighters were on their way to Nicaragua.

McFarlane is now believed to have been the senior administration official who told reporters that the Soviet cargo ship Bakuriani, en route to Nicaragua from a Soviet Black Sea port, was probably carrying MiGs.

The intelligence official said North apparently recommended that the information be leaked to the press on Election Day so it would reach millions of people watching election results. CBS and NBC broadcast the report that night.

Clark had key role

The leak led to a new clash between the regular bureaucracy and the president's advisers. The official State Department spokesman, John Hughes, tried hard to play down the report, pointing out that it was unproven that the Bakuriani was carrying MiGs. At the same time, employees of the Office of Public Diplomacy, acting under North's direction, insisted that the crates were inside the ship and that MiGs were still a possibility.

To take a closer look, the source said, North requested a high-flying SR-71 Blackbird spy aircraft be sent from Beale Air Force Base near Sacramento, Calif., to fly over the Nicaraguan port of Corinto while the Bakuriani unloaded its cargo. The pictures showed that the Bakuriani unloaded helicopters, not MiGs.

North was not the only adviser who operated outside traditional government channels, investigators have concluded.

Others were known as the RIGLET, a semi-official unit made up of North; Alan Fiers, a CIA Central American affairs officer, and Elliott Abrams, the current assistant secretary of state for inter-American affairs, according to Abrams' subordinate Richard Melton. Melton revealed the existence of the RIGLET in a deposition given to the Iran-contra committees. The name is a diminutive for RIG, which stands for Restricted Interagency Group.

Among the RIGLET's actions was ordering the U.S. ambassador to Costa Rica, Lewis Tambs, to assist the contras in setting up a front in southern Nicaragua. Tambs, who resigned suddenly last year after his links to North were revealed, testified about the instructions to Iran-contra investigators.

But perhaps the key to the parallel government was the role played by Reagan's second national security adviser, William Clark. It was during Clark's tenure that North began to gain influence in the NSC.

Clark also recruited several mid-level officers from the Pentagon and the CIA to work on a special Central American task force in 1983 to push aid for El Salvador, a task force member said.

"Judge Clark was the granddaddy of the system," he said. "I was working at the Pentagon on another issue when my boss said that because of special circumstances, I was to be reassigned to the task force."

A former administration official familiar with Clark's activities said Clark also had approved contacts between Vatican Ambassador Wilson and Libya before Wilson's November 1985 journey, which came after McFarlane replaced Clark at the NSC.

The former official said Wilson also had carried out secret missions for the Reagan administration in a Latin American country where Wilson reportedly maintained contacts with high-level officials. The source asked that the country not be identified because the system is still in place and had reduced tensions by circumventing the regular bureaucracies of both countries.

Calls to Wilson's and Clark's offices in California were not returned.

EXHIBIT OLN-216

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National Security Council
The White House

FEB 26 1987
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Bob Pearson			
Grant Green			
Colin Powell			
Paul Thompson			
Frank Carlucci			
Situation Room			
NSC Secretariat			
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I = Information A = Action R = Retain D = Dispatch N = No further Action

cc: VP Regan Buchanan Other ______

COMMENTS Should be seen by: ______
(Date/Time)

EXHIBIT
OLN-216

Partially Declassified/Released on 9 July 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

2047

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No.	Name and Address	Date	Initials
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REMARKS:

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Intelligence Sources and Methods Involved
NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

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~~SECRET~~

ACTION

August 7, 1986

N 16000

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: WALTER RAYMOND, JR. WR

SUBJECT: Central American Public Diplomacy

In response to your PROF note, I have prepared a memorandum for you to send to Bill Casey (Tab I). Peter Dailey had a very good meeting with my Thursday morning group on August 7, and I think he can be very helpful as a adviser to this group. I do not think it is necessary to revise the current structure. As I told you in my earlier PROF note, I think the structure is in place, but it constantly needs to be energized. I do this on a regular basis. But having Peter Dailey available in Washington will be an enormously useful asset during this next year while we implement the $100 million in Contra aid. I would propose to have him meet with the group periodically to critique and review programs and processes, to work closely with Bob Kagan, the Interagency Central Amerian Public Diplomacy coordinator, and to help coordinate private sector activities such as funding that currently cannot be done by either CIA or State.

RECOMMENDATION

That you sign the memorandum at Tab I to Bill Casey.

Approve ________ Disapprove ________

Bob Earl for Ollie North, Ray Bill Perry for Burghardt, and Vince VC Cannistraro concur.

Attachments

Tab I Memo to Casey
Tab A Public Diplomacy Planning

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THE WHITE HOUSE
WASHINGTON

~~SECRET~~

MEMORANDUM FOR THE HONORABLE WILLIAM J. CASEY
The Director of Central Intelligence

N 16 01

SUBJECT: Central American Public Diplomacy (U)

I have looked into the question of our overall public diplomacy effort concerning Central America. A great deal of hard and effective work is being done. It is clear we would not have won the House vote without the painstaking deliberative effort undertaken by many people in the government and outside. (S)

The departure of Otto Reich has not resulted in any reduction of effort. His public diplomacy coordination office (LPD) has continued. Although the independent office was folded into Elliott Abrams' bureau, the White House has sent a clear tasker to the community that this limited reorganization in no way reflected a dimunition of activities. On the contrary, the same interagency responsibilities are being exercised, and the group reports directly to the NSC. It continues to be one of the few offices in the government that is staffed by a truly interagency team, including representatives from State, USIA, AID, and Defense. The office chief is Bob Kagan, who is a young, bright and effective operator. In reality, the reorganization also means that Elliott Abrams plays a strong public diplomacy role, and in this way we have harnessed one of the best public diplomacy assets that we have in the government. (S)

There is a weekly Central American public diplomacy meeting which takes place in the Old EOB, chaired by Walt Raymond, and which includes not only the four organizations noted above but also the White House Press Office and Public Liaison Office, a representative from CIA's Central American Task Force, and key NSC Staffers. This group takes its policy guidance from the Central American RIG and pursues an energetic political and informational agenda. The group seeks to focus both on domestic public issues as well as the informational battle in Europe and Latin America. It generates requirements for major publication efforts. I will have the NSC Staff send you a package of some of the more recent publications. The group also works closely with the concerned legislative offices to be supportive in terms of the Congres-

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sional debate and in a practical way it deals with a number of on-going daily issues. As an example, issues the group dealt with last week included:

-- Steps to undertake EC support to Nicaragua;

-- Trips of U.S. and/or foreign persons to Nicaragua for the purpose of [redacted] greater foreign awareness of developments in Nicaragua;

-- Development of programs to publicize religious repression in Nicaragua;

[redacted]

-- Steps to strengthen the El Salvador public diplomacy effort. (S)

There is a comprehensive public diplomacy action plan for Latin America in Europe, and I am attaching a copy for you. This plan is monitored very actively by the LPD office, and periodic reports of activity are provided to the NSC. (S)

While this group ensures that the issue remains a high priority public diplomacy goal, I share your view that this program can certainly benefit by the professional skill and insight of Peter Dailey, and I am delighted that he is in Washington and available to provide time to help this effort. Peter met with the Thursday morning interagency group on August 7. It provided him an opportunity to hear first hand from the action officers and be briefed on their current programs. The exchange was useful, and Peter has committed himself to meet periodically with this group to help strengthen their effort. Bob Kagan, the interagency coordinator, will seek Dailey's counsel on a regular basis and will bring Elliott Abrams into this process. (S)

Peter underscored that the Nicaraguan issue remains a matter of great urgency and that the next year is critical. We must show progress both in Central America, but also in the eyes of the world community, if we are to sustain and support the democratic forces in Nicaragua. It will be necessary to "frontload" our public diplomacy on this subject so that we can strengthen our international support and change attitudes concerning this program. Certain themes that he recommended at the first meeting will be given serious consideration by the working group. One special area of importance concerns generating private sector support and funding. His assistance in this area would be of greatest importance. (S)

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In summary, the public diplomacy community is hard at work and, I think properly focussed. Peter Dailey's input can be very valuable in energizing this effort, and we certainly intend to take advantage of his presence to strengthen and diversify the thrust of this program. (S)

N 16803

Attachments

Tab A Public Diplomacy Planning

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

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June 16, 1986

MEMORANDUM FOR NICHOLAS PLATT
Executive Secretary
Department of State

N 16204

JAMES F. LEMON
Executive Secretary
Department of Defense

RICHARD MEYER
Executive Secretary
Agency for International Development

RONALD J. POST
Acting Chief of the Executive Secretariat
U.S. Information Agency

SUBJECT: Public Diplomacy Plan for Central America (U)

The NSC Staff approves the Public Diplomacy Plan submitted by the Department of State on this subject. We note that there has been considerable progress in the realization of our public diplomacy goals concerning Central America among European audiences. We must, however, continue to emphasize our comprehensive policy towards Central America at the same time that we focus on the specific question of Nicaragua. (C)

There is a need to maintain this as a high priority of our missions Europe and Latin America. The opposition is engaged in an intensive propaganda effort to sustain their point of view in these areas, and our activity must be at a high level to gain support for our policies. In addition to the continued provision of important materials to the field missions, we must keep up a flow of speakers to the target areas. We must also seek to utilize, as much as possible, Central American spokesmen to speak on their own behalf in Latin America and Europe. Posts in Europe and Latin America should find ways to encourage locals to travel to Central America to gain on-the-ground knowledge of what is happening. (C)

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The limited reorganization of the SLPD function should in no way suggest any dimunition of effort. (C)

The NSC requests a status report of activities undertaken to implement the action plan by August 31, 1986. (U)

N 16805

Rodney B. McDaniel
Executive Secretary

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United States Department of State

Washington, D.C. 20520

May 23, 1986

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N 16806

MEMORANDUM TO VADM JOHN M. POINDEXTER
THE WHITE HOUSE

SUBJECT: Public Diplomacy Plan for Explaining U.S. Central American Policy in Europe and Latin America

The Department submits herewith a public diplomacy plan for explaining U.S. Central American policy to Latin Americans and Europeans. Parts of the plan focus on explaining those same policies to international political organizations such as the Socialist International, the International Democrat Union, and the Christian Democrats.

Nicholas Platt

Nicholas Platt
Executive Secretary

Attachment:
Public Diplomacy Plan

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PUBLIC DIPLOMACY PLAN FOR EXPLAINING U.S. CENTRAL AMERICAN POLICY IN EUROPE AND LATIN AMERICA

N 16007

BACKGROUND

The Sandinistas came to power in July 1979 in a coalition with genuine democrats. However, within weeks the Sandinista National Liberation Front (FSLN) began a pattern of actions reflecting a betrayal of the revolution: internal repression of genuine democrats and of non-communist institutions such as religious organizations; aggression against fellow Latin American countries through armed subversion; ties with terrorist organizations in Latin America, the Middle East, and Europe; and a military buildup supported by the Soviet bloc and Cuba. That pattern continues today.

Under President Reagan, a balanced U.S. policy has been followed in Central America. It contains four mutually reinforcing elements:

1. Encouragement of democracy;
2. Economic aid to improve living conditions;
3. Active diplomacy for realistic political solutions;
4. Security assistance to give the people of Central America the means to defend themselves against expanded Soviet-bloc/Cuban/Nicaraguan subversion or armed aggression.

Much progress has been made in four of the five Central American countries since 1981: Costa Rica, Honduras, El Salvador, and Guatemala are democratic and are steadily strengthening their democratic institutions. The U.S. Congress has year by year provided support for the President's policy through increasing appropriations for economic and security assistance (total amounts by fiscal year 1983--$513 million; 1984--$939 million; 1985--$951 million; 1986--$1,014 million).

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GOALS

N 16808

-- To convince audiences in Central and South America (particularly the Contadora and Contadora Support Group countries) and in Europe that U.S. policy toward Central America is balanced, workable, and the best alternative possible.

-- To convince audiences in Latin America and Europe that the Nicaraguan democratic resistance has a cohesive and credible political program and that it is a viable, democratic force worthy of the support of the U.S. and other democratic nations.

-- To demonstrate to audiences in Latin America and Europe that the Sandinistas support international terrorism and that Sandinista external subversion threatens the nascent democracies in neighboring countries.

-- To demonstrate that the Sandinistas consciously and systematically violate human rights.

-- To convince audiences in Latin America and Europe that the United States seeks only that the Sandinistas deliver on their promises of 1979 to the Organization of American States; that we believe that the best way to do this is for the Sandinistas to engage in dialogue with the opposition; that the Contadora process, if it can meet our three requirements that it be comprehensive, simultaneous, and verifiable, is an alternative we can support.

-- To demonstrate to audiences in Latin America and Europe how Sandinista ties to Cuba and the Soviet Union adversely affect U.S. and their own national security interests.

-- To persuade the internationals (Socialist International, Christian Democrats, International Democrat Union, etc.) to speak out on their concern for civil and human rights in Nicaragua, Sandinista intervention in neighboring countries, and Sandinista ties with international terrorists; and to encourage the internationals to oppose aid to the Sandinistas for the same reasons.

-- To counter Sandinista disinformation activities with facts.

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ADDITIONAL GOALS IN LATIN AMERICA

-- To convince the countries of Central America that the United States shares their political and economic goals and can be counted upon to stick with them for the long haul (the U.S. is a reliable ally).

-- To persuade Central American government, political, church, and labor leaders to be more active in telling the Central American story in Europe, South America, Mexico, and the Caribbean.

ADDITIONAL GOAL IN EUROPE

-- To convince European publics that the U.S. is responding in a constructive manner to the desires of Central American nations for political and economic reform.

THEMES

-- Stress positive aspects (economic development, promotion of democracy, security) of U.S. policy in Central America.

-- Set record straight on U.S. policy toward negotiations with Nicaragua and on Contadora, including Nicaraguan refusal to negotiate a comprehensive agreement and U.S. aid to the Nicaraguan resistance.

-- Emphasize democratic background and objectives of the Nicaraguan resistance, while reiterating totalitarian nature of the Sandinista regime. Point out militaristic and undemocratic Sandinista educational system; exploit existence of neighborhood committees and internal repression. Remind audiences of Sandinista efforts to crush internal opponents, especially the Catholic Church, political parties, and labor unions not controlled by the government. Focus on new Nicaraguan constitution when it is unveiled by the Sandinistas and on totally controlled process in which constitution will be subjected to "public discussion."

-- Reemphasize progress and successes in El Salvador, while publicizing the destructive and totalitarian nature of the Salvadoran guerrillas.

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-- Explain that the United States supports those people and governments who are furthering the democratic process--in Costa Rica, Honduras, Guatemala, and El Salvador--and seeking to foster reconciliation and the democratic process in Nicaragua.

-- Remind audiences of Sandinista and Salvadoran guerrilla ties with terrorists in Latin America (example, M-19 in Colombia) and elsewhere (including Middle East), arms and drug runners, and of their Soviet-Cuban ties. Mention Sandinista practice of giving Nicaraguan passports to terrorists.

-- Continue to present U.S. position on, and rationale for, withdrawal from Nicaraguan case before the International Court of Justice. Note: The ICJ decision on the merits of the Nicaraguan case, expected in May, will spark Nicaraguan attempts to garner support for calls for the U.S. to comply with the Court's rulings, likely including a Nicaraguan approach to the UN Security Council for enforcement of the ICJ's ruling under Article 94(2) of the UN Charter.

ADDITIONAL THEME IN CENTRAL AMERICA

-- Europeans do not have a clear understanding of progress toward democracy in Central America, nor do they understand the threat to democracy posed by the Sandinistas. The United States government cannot alone convey that story to Europeans. The Central Americans should take on a share of that task.

AUDIENCES

Political and government leaders in Latin America and Europe
Media in Latin America and Europe
The Internationals
Religious leaders
Academics

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Note: The following three audiences have ready access to the American news media and to U.S. public opinion data. This will affect their willingness to accept materials and information aimed directly at them.

European and Latin American delegations to the United Nations
Latin American and European diplomatic missions in Washington, D.C.
Latin American and European journalists in the United States

ACTIONS

-- Make increased use of WORLDNET as an interactive medium for explaining U.S. policy in Central America (among officials to be sought as spokesmen on Central America are Vice President Bush, Ambassador Walters, Assistant Secretary Abrams, and Ambassador Habib).

-- Speech by President Reagan describing his positive vision for Central Americans. This should note our greatly increased economic assistance, including scholarship programs, and our identification with the hopes of the people of the region for a better life. The speech should also note that the door is open for Nicaraguans to share in this prospect--if their Sandinista leaders will allow them the freedom to pursue it. This speech should be a major event delivered on some appropriate occasion, preferably during the June 10-11 visit of the four Central American democratic presidents. Other possibilities might be to have the President speak to the OAS or during either the President Sanguinetti or President Azcona visits.

-- A senior Administration official, perhaps Secretary Shultz, should publicly unveil the second annual report on the implementation of the Kissinger Commission (or Jackson Plan) findings. This can be an opportunity to demonstrate that we recognize the North-South dimensions of the problem, and to stress the affirmative part of our strategy.

-- For Socialist International in Lima, June 20-23, State will instruct embassies in the countries represented to make demarches to party leaders. USIS Lima will try to place material on Central America in the Peruvian media at that time, and will also distribute ARA/LPD pamphlets presenting U.S. views on Central America.

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-- USIA will maintain a steady flow of AMPARTS to Europe and Latin America to speak about Central America. These will be arranged according to the needs identified by posts in their country plans.

-- In addition to continuous reporting by its own media, USIA will distribute abroad increased numbers of copies of studies produced by ARA/LPD. USIA will encourage its posts in Europe to translate more ARA/LPD documents into local languages.

-- DOD will continue its series of research/study seminars in Latin America on the Strategic Challenges to Regional Security.

-- DOD and USIA will distribute the 80-piece slide presentation "The Challenge and Response" to posts in Europe and Latin America. USIA will consider translating the show into local languages.

-- Put ARA/LPD sponsored "Arms Display" exhibit at key points in U.S. and overseas.

-- ARA/LPD will work closely with IO/UNP to prepare U.S. statements and rights of reply in multilateral fora to counter Sandinista disinformation.

-- ARA/LPD and USIA will be prepared to exploit any Nicaraguan intransigence at the Esquipulas, Guatemala, summit (May 24-26), and at the June 6 Contadora meeting (possible Contadora conclusion), and at Contadora negotiating sessions leading up to June 6. ARA/LPD and USIA will also prepare to support positions taken by the Central American democracies.

ACTIONS (Latin America)

-- During President Duarte's travel to Costa Rica, Peru, Uruguay, and Brazil, May 9-22, USIS posts at each stop promoted media coverage; USIA media covered in depth.

-- At the Costa Rican Inaugural, May 8, the U.S. delegation took the opportunity to meet with Contadora and Contadora support country leaders to demonstrate U.S. support for their goals.

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-- During visit of Uruguayan President Sanguinetti to Washington in June, Administration leaders will underscore U.S. support for democracy and economic progress, emphasizing a positive vision, rather than reiterating well-known American opposition to oppression. USIA media will cover in full and also assist Uruguayan media traveling with the president.

-- USIA will provide full media coverage and assistance to the working visit of Honduran President Azcona to Washington May 26-29. Appropriate quotes by Azcona will be played into Europe and Latin America.

-- ARA/LPD will prepare a cable to Embassies in Central America instructing them to discuss with government officials, political, church, and labor leaders the need to tell the Central American story in Europe. A special effort will be made to persuade President Duarte to begin a public affairs effort in Europe.

-- DOD Policy Support Staff prepared special briefing and display materials on Central America for use at the meeting with air force chiefs of staff from 20 Latin American and Caribbean countries May 5-9. Similar materials and briefings will be given to air force intelligence chiefs from 20 Latin American and Caribbean countries when they meet at Homestead AFB, Florida, in August 1986.

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EXHIBIT OLN-217

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N 40300

1-1
3/20/85

To	Name and Address	Date	Initials
1	Robert McFarlane		
2			
3			
4			
5			
6			

☒	ACTION	☐	FILE
☐	APPROVAL	☐	INFORMATION
☐	COMMENT	☐	PREPARE REPLY
☐	CONCURRENCE	☐	RECOMMENDATION
☐	DIRECT REPLY	☐	RETURN
☐	DISPATCH	☐	SIGNATURE

REMARKS:

cc: Oliver North (#2 and 3)
Jim Radzimski (#4)

NSC/ICS CONTROL NO. 400300

COPY NO. 2 OF 4

HANDLE VIA SYSTEM IV CHANNEL ONLY

NSC INTELLIGENCE DOCUMENT

EXHIBIT
OLN-217

Partially Declassified/Released on 9 July 1987
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3/31/87

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MEMORANDUM

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NATIONAL SECURITY COUNCIL

SYSTEM IV
NSC/ICS-400300

N 40301

March 20, 1985

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ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: Timing and the Nicaraguan Resistance Vote

Attached at Tab A is the most recent version of the chronology of events aimed at securing Congressional approval for renewed support to the Nicaraguan Resistance Forces. This schedule results from the four communications/media meetings we have now had with Pat Buchanan's ad hoc working group. Please note that the schedule continues to focus on a vote at the end of April triggered by submission of the required report on or about April 15.

In addition to the events depicted on the internal chronology at Tab A, other activities in the region continue as planned--including military operations and political action. Like the chronology, these events are also timed to influence the vote:

- planned travel by Calero, Cruz, and Robelo;
- various military resupply efforts timed to support significantly increased military operations immediately after the vote (we expect major Sandinista crossborder attacks in this timeframe--today's resupply t[redacted] [redacted] from [redacted] went well); and
- special operations attacks against highly visible military targets in Nicaragua.

Some of these efforts will proceed whether or not the vote occurs as planned at the end of April. For example, today Bernardario Larios, former Sandinista Defense Minister, defected to Costa Rica and is now in Panama (you were briefed on this operation during the trip). Others, however, including actions by U.S., interests groups are very sensitive to the timing. Next week the networks auction their air time for 15, 30, and 60 second commercials during prime viewing hours. These groups are prepared to commit nearly $2M for commercial air time and the

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production of various advertising media. If we are to retain their support, we must let them know by Friday whether or not they should proceed. To the maximum extent we have tried to prevent the kinds of errors that will cost them financially or politically. Unfortunately, some, like the Young Republicans ad, get through--this has been fixed.

It is important that a decision be taken no later than noon, Friday, March 22, if we are to proceed with the events in the checklist (Tab A) and those activities which support a vote at the end of April.

Senator Durenburger plans to make a major speech on this issue at the National Press Club next Tuesday, March 26. We should at least give him a sense of what to expect before he speaks.

You should also be aware that Director Casey has sent a personal note to Don Regan on the timing matter. We are attempting to obtain a copy for your use.

Worthlind has apparently completed an analysis on some recent polling data. It reportedly does not look good for a vote at this time.

Finally, Jim Michel reminds that in your meetings with the Central American Heads of State you told them that we would be quiescent during the early Spring, but that in April we would act. This description fits either scenario--going for the vote or a fallback option with sanctions. One way or the other, we need to have a decision.

RECOMMENDATION

That you discuss this matter with Don Regan and urge that a decision be made on timing by noon on Friday, March 22.

Approve _____ Disapprove _____

Attachments
  Tab A - Chronological Event Checklist (dtd March 20, 1985)
  Tab B - Young Republicans Ad

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March 20, 1985

N 40303

CHRONOLOGICAL EVENT CHECKLIST

February 21-28, 1985 (completed)

Event	Responsibility
Send resource book on the Contadora process process to congressmen, media outlets, private organizations and individuals interested in Nicaragua.	State/LPD (Miller)
FDN to select articulate freedom fighters with proven combat records and to make them available for contact with U.S. media representatives.	NSC (North)
Assign U.S. intelligence agencies to research, report, and clear for public release Sandinista military actions violating Geneva Convention/civilized standards of warfare.	NSC (North) (Raymond)
Prepare themes for approaches to Congressmen based on overall listed perceptions which will directly attack the objections listed above.	NSC (North)
Encourage U.S. media reporters to meet individual FDN fighters with proven combat records and media appeal.	NSC (North) State/LPD (Gomez)
Contact internal eyewitnesses/victims to testify before Congress about their abortive attempts to deal with the FSLN (deadline March 15).	NSC (North)

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March 1-8, 1985

Event	Responsibility
Prepare list of publicly and privately expressed Congressional objections to aiding resistance and voting record on the issue.	WH/LA State/H
Provide State/H with a list of Nicaraguan emigres and freedom fighters to serve as potential witnesses to testify before hearings on aid to Nicaraguan freedom fighters (due March 15).	NSC (North) State/ARA (Michel) State/LPD (Reich)
Nicaraguan internal opposition and resistance announce unity on goals and principals (March 2, San Jose) (completed).	State/LPD (Miller) NSC (North)
Request that Zbigniew Brzezinski write a geopolitical paper which points out geopoliticalconsequences of Communist domination of Nicaragua (paper due March 20).	NSC (Menges)
Briefings on Nicaragua for key Congressional members and staffers. North on NU aggression and external involvement, Burghardt on diplomatic situation.	NSC (North) (Burghardt)
Supervise preparation and assignment of articles directed to special interest groups at rate of one per week beginning March 18 (examples: article on Nicaraguan educational system for NEA, article by retired military for Retired Officers Association, etc.).	State/LPD
Assign agencies to draft one op-ed piece per week for signature by Administration officials. Specify themes for the op-eds and retain final editorial rights.	NSC (Menges)
Conduct public opinion poll of America attitudes toward Sandinistas, freedom fighters.	WH (Rollins)
National Press Club news conference for FDN commanders Bermudez, Tigrillo, Mike Lima (March 5) (follow-on Congressional visits (March 6) (completed).	State/LPD (Gomez) (Kuykendall)
Martha Lida Murillo (9 yr old atrocity victim) visit to Washington--media interviews, Congressional visits, possible photo-op with First Lady (March 6-8) (completed).	State/LPD (Gomez) (Kuykendall) (WH/OPL)

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March 9-15, 1985

Event	Responsibility
WH/Legislative Affairs, State/H and ARA complete list of key Congressmen interested in Nicaragua.	State/H(Ball/Fox) WH/LA State/ARA (Michel/Holwill)
Intelligence briefing for White House Administration and senior staff by CIA (Vickers, Room 208, OEOB, 30 minutes).	NSC (North)
Brief Presidential meeting with Lew Lehrman and other leaders of the influence groups working on MX and resistance funding.	NSC (Raymond) (North)
State/LPD and WH Media Relations prepare a list of key mediaoutlets interested in Central American issues, including newspapers, radio, and TV stations (including SIN). Where possible identify specific editors, commentators, talk shows, and columnists.	NSC (North) State/LPD (Miller)
NSC update talking points on aid to Nicaraguan freedom fighters.	NSC (North)
Briefings in OEOB for members/Senators: Shultz, McFarlane, Gorman, and Shlaudeman to brief Lehman (requires General Gorman to be placed on contract).	NSC (North) (Lehman)
Call/visit newspaper editorial boards and give them background on the Nicaraguan freedom fighters.	State/LPD(Reich) WH/PA NSC (North)
Brief OAS members in Washington and abroad on second term goals in Central America. Explore possible OAS action against Nicaragua.	OAS(Middendorf) NSC (Menges) State/LPD(Reich)
VP at Brazilian inauguration. Discuss possible OAS initiative on Nicaragua with Core Four, Colombia, Brazil, and Uruguay (March 15 and 16).	VP (Hughes)
Prepare a "Dear Colleagues" ltr for signature by a responsible Democrat which counsels against "negotiating" with the FSLN.	NSC (Lehman)

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March 16-22, 1985

Event	Responsibility
Results due on public opinion survey to see what turns Americans against Sandinistas (March 20).	NSC (Hinckley)
Joachim Maitre--Congressional meetings, speeches, and op-ed pieces.	State/LPD (Kuykendall)
Review and restate themes based on results of public opinion poll.	State/LPD (Reich) NSC (North) (Raymond)
Presidential drop-by at briefing for American evangelicals on MX and Nicaraguan resistance.	WH/OPL (Reilly) NSC (North)
Congressional hearings (Foreign Relations/Affairs) and testimony by Nicaraguan emigres and atrocity victims.	WH/LA NSC (North) (Lehman)
Prepare document on Nicaraguan narcotics involvement.	Justice (Mullen)
SSCI CODEL Boren, Rockefeller, McConnell, and Wilson [redacted] for meetings with resistance (March 15-19).	NSC (North) (Lehman)
VP in Honduras; meeting with Pres Suazo (March 16).	VP (Hughes)
Argentine state visit; President emphasize need for OAS case (March 19).	WH (Elliott)
Pastora and Calero meeting with Congressional Hispanic Caucus (Jorge Mas) (March 20).	
Production and distribution of La Prensa chronology of FSLN harassment.	State/LPD (Reich)

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N 40307

March 23-31, 1985

Event	Responsibility
Rev. Vallardo Antonio Santeliz (Pentecostal Minister atrocity victim)--Congressional/ media meetings (March 22-23).	State/LPD (Kuykendall) (Gomez)
McFarlane, Friedersdorf meeting with key Congressional leadership (Rm 208 or WHSR) to brief situation and proposed course of action (March 23-25).	WH/LA NSC (Lehman) (North)
Presidential breakfasts, lunches, and WHSR meetings with key Congressional leaders (March 24 through vote).	
Pedro Juaquin Chamorro (Editor La Prensa) U.S. media/speaking tour (March 25-April 3)	State/LPD (Miller/Gomez)
President to meet in Room 450 w/"Spirit of Freedom," concerned citizens for Democracy. Representatives from 8 countries (180) (March 25).	
Release of DOD/State paper on Soviet/Cuban/ Nicaraguan intentions in the Caribbean; possible WH backgrounder.	State/LPD (Reich) WH/PA (Sims)
Distribute Bernard Nietschmann paper on suppression of Indians by FSLN.	State/LPD
Antonio Farach (Former FSLN Intelligence Officer)--media and Congressional meetings regarding Sandinista espionage, intelligence activities.	Republican Study Committee
Invite [redacted] to a very private meeting in Texas with key Congressional leaders so that CODEL can hear unvarnished concerns re Sandinistas and Democratic leaders' support for the FDN.	(Kuykendall) NSC (North)
Release paper on Nicaraguan media manipulation.	State/LPD
Publish and distribute as State Department document *Nicaragua's Development as Marxist-Leninist State* by Linn Poulsen.	State/LPD (Reich)
Declassify *Nicaragua's Development as a Marxist-Leninist State* by Linn Jacobowitz Poulsen for publication as State Department document (clearance request w/Casey).	State/LPD (Blacken)

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N 40308

April 1-7, 1985

Event	Responsibility
Request Bernard Nietschmann to update prior paper on suppression of Indians by FSLN (to be published and distributed by April 1).	State/LPD (Blacken)
AEI: Sponsor media events w/print and television media for Central America resistance leaders (April 1-7).	State/LPD (Reich) WH/OPL (Reilly)
European Parlimentary delegation to meet with President Reagan (April 2).	National Forum Foundation WH/OPL (Reilly)
Visit by Colombian President Betancur (April 3-4); possible Joint Session speech by Betancur.	
Proposed Presidential television address on Nicaragua (April 4).	WHSpeechwriters (Elliott) NSC (North)
Second round of SFRC hearings on Soviet build-up in region (Helms) (prior to recess).	State/H
CODEL visits during recess (April 4-14). Nicaraguan refugee camps in Honduras and Costa Rica (include visit to freedom fighter base camp and hospita[redacted]	NSC (North) (Lehman)
CODEL visit during recess (April 4-14) with regional leaders of Central America. Regional leaders convey importance of resistance fighters in NU.	NSC (North) (Lehman)
Administration and prominent non-USG spokesman on network shows regarding Soviet, Cuban, East German, and Libyan, Iranian connection with Sandinistas.	WH/PA (Sims) WH (Buchanan) State/LPD
Publish updated "Green Book;" distribute personally to Congressmen, media outlets, private organizations, and individuals interested in Nicaragua. Pass to Lew Lehrman and other interested groups.	State/LPD (Reich) WH/LA State/H (Fox)
Distribute paper on geopolitical consequences of Communist domination of Nicaragua.	State/LPD
Release paper on Nicaraguan drug involvement.	State/LPD (Blacken) NSC (North)

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April 8-14, 1985 (During recess)

Event	Responsibility
25 Central American spokesmen arrive in Miami for briefing before departing to visit Congressional districts. Along with national television commercial campaign in 45 media markets.	CFA (Abramoff)
Targeted telephone campaign begins in 120 Congressional districts. CITIZENS FOR AMERICA district activists organize phone-tree to targeted Congressional offices encouraging them to vote for aid to the freedom fighters in Nicaragua.	CFA (Abramoff)
Lew Lehrman speaking tour of major U.S. cities.	CFA
Telephone campaign.	
Central American spokesmen conduct rallies throughout the country in conjunction with CITIZENS FOR AMERICA activists (starting April 12).	CFA
Nationally coordinated sermons about aid to the freedom fighters are conducted (April 14).	
Naval Institute Seminar in Newport, RI (Lugar, McFarlane [April 12]).	

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April 15-21, 1985

Event	Responsibility
Nicaraguan Refugee Fund (NRF) dinner, Washington, DC; President as Guest of Honor (April 15).	State/LPD (Miller) NSC (Raymond)
Presidential report to Congress on reasons for releasing funds to freedom fighters (April 15).	NSC State
AAA available to Washington press.	State/LPD (Gomez)
Central American spokesmen visit Congressional offices on Capitol Hill (April 16).	Abramoff
SFRC Nicaraguan issues, open hearing (April 16-17).	
Washington conference "Central America: Resistance or Surrender" (Presidential drop-by?) (April 17).	NSC Abramoff
Barnes' subcommittee hearing on Nicaragua; Motley, public witnesses (April 18) (2170 Rayburn, 2:00 p.m.).	
Presidential Radio Address (April 20).	WH (Elliott)

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April 22-29, 1985

Event	Responsibility
House Appropriations (Obey subcommittee) intelligence brief on Central America/ Latin America (April 23).	
Obey subcommittee (panel on Central America), public witnesses (a.m.)/Administration witnesses (p.m.) (April 24).	
Major rally in the Orange Bowl in Miami, Florida, attended by President Reagan and important Administration figures (April 28).	Cuban American National Foundation State/LPD (Reich)
Presidential calls to key members.	WH (Friedersdorf) NSC (Lehman)

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April 30, 1985

Event	Responsibility
Vote in the U.S. Congress on aid to the Nicaraguan freedom fighters (April 30).	WH (Friedersdorf) NSC (Lehman)
President leaves for Europe.	

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March 20, 1985
N 40313

PUBLIC DIPLOMACY PRESIDENTIAL EVENTS REGARDING NICARAGUAN RESISTANCE

Event	Responsibility
March 16-22, 1985	
Argentine state visit; President emphasize need for OAS case (March 19).	WH (Elliott)
March 23-31, 1985	
Presidential breakfasts, lunches, and WHSR meetings with key Congressional leaders (March 24 through vote).	
President to meet in Room 450 w/"Spirit of Freedom," concerned citizens for Democracy. Representatives from 8 countries (180) (March 25).	
April 1-7, 1985	
Visit by various members of European parliments who support the President's policies in Central America (April 2).	NSC (Raymond) WH/OPL (Reilly)
Visit by Colombian President Betancur (April 3-4); possible Joint Session speech.	
Presidential television address on budget (April 4).	WHSpeechwriters (Elliott)
Presidential meeting with AAA.	NSC (North)
April 15-21, 1985	
Conference on religious freedom; Presidential drop-by in Rm 450, OEOB.	NSC (Raymond)
Nicaraguan Refugee Fund (NRF) dinner, Washington, DC; President as Guest of Honor (April 15).	State/LPD (Miller) NSC (Raymond)
Presidential report to Congress on reasons for releasing funds to freedom fighters (April 15).	NSC State
Possible Presidential meeting with AAA.	NSC (North)
Possible Presidential visit with former Central American Presidents, Foreign Ministers, and Presidential candidates.	NSC (North) S/LPD (Reich)
Presidential Radio Address (April 20).	WH (Elliott)

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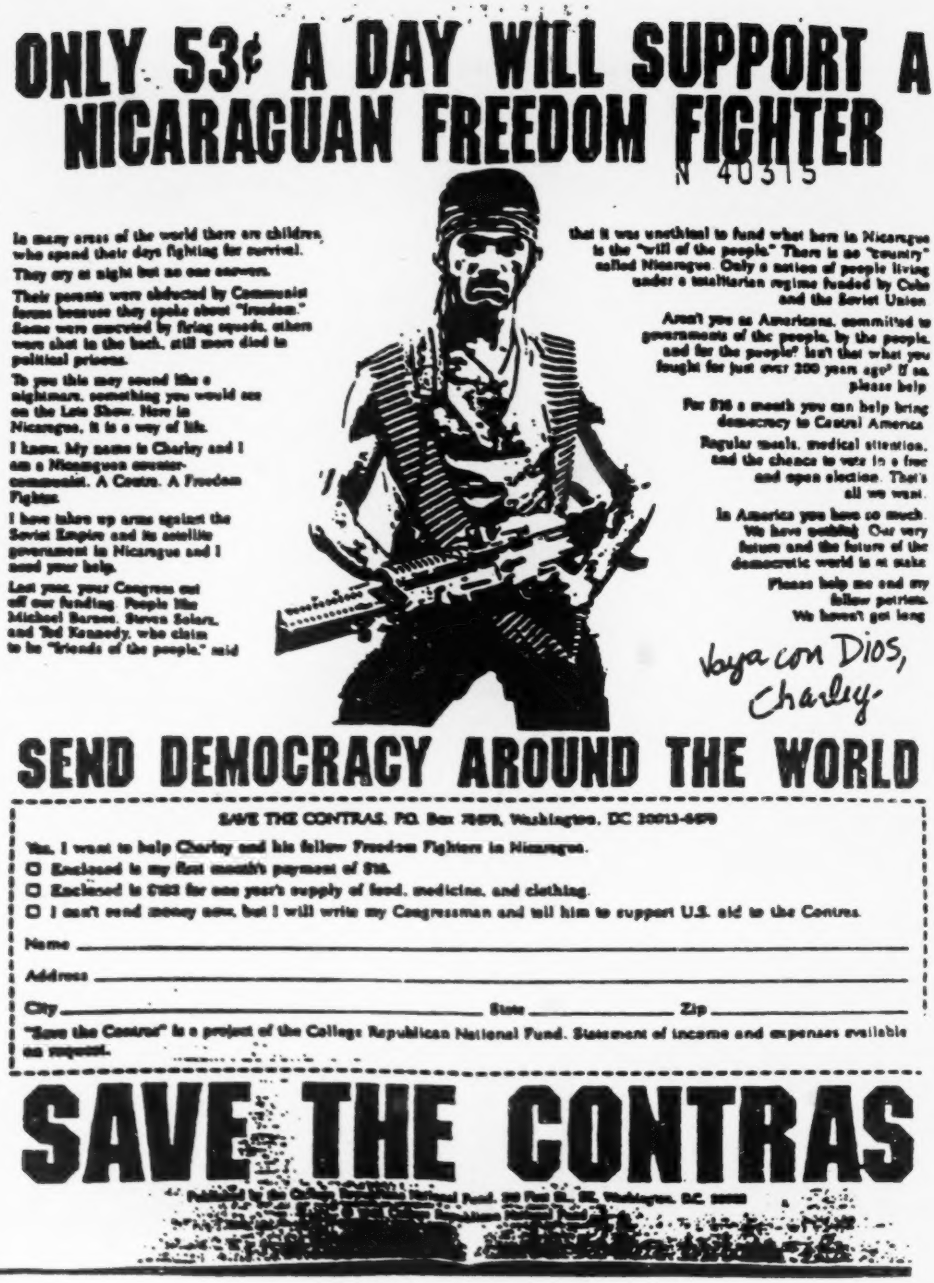
Event	**Responsibility**
April 22-29, 1985	
Proposed visit to Washington by Presidents Monge, Duarte, and Suazo.	NSC (North) S/ARA (Michel)
Presidential calls to key members.	WH (Friedersdorf) NSC (Lehman)
Major rally in the Orange Bowl in Miami, Florida, attended by President Reagan and important Administration figures (April 28).	Cuban American National Foundation
April 30, 1985	
Proposed Congressional vote; President leaves for Europe.	



ONLY 53¢ A DAY WILL SUPPORT A NICARAGUAN FREEDOM FIGHTER

N 40315

In many areas of the world there are children, who spend their days fighting for survival.

They cry at night but no one answers.

Their parents were abducted by Communist forces because they spoke about "freedom." Some were executed by firing squads, others were shot in the back, still more died in political prisons.

To you this may sound like a nightmare, something you would see on the Late Show. Here in Nicaragua, it is a way of life.

I know. My name is Charley and I am a Nicaraguan counter-communist. A Contra. A Freedom Fighter.

I have taken up arms against the Soviet Empire and its satellite government in Nicaragua and I need your help.

Last year, your Congress cut off our funding. People like Michael Barnes, Steven Solarz, and Ted Kennedy, who claim to be "friends of the people," said that it was unethical to fund what here in Nicaragua is the "will of the people." There is no "country" called Nicaragua. Only a nation of people living under a totalitarian regime funded by Cuba and the Soviet Union.

Aren't you as Americans, committed to governments of the people, by the people, and for the people? Isn't that what you fought for just over 200 years ago? If so, please help.

For $16 a month you can help bring democracy to Central America.

Regular meals, medical attention, and the chance to vote in a free and open election. That's all we want.

In America you have so much. We have nothing. Our very future and the future of the democratic world is at stake.

Please help me and my fellow patriots. We haven't got long.

Vaya con Dios,
Charley.

SEND DEMOCRACY AROUND THE WORLD

SAVE THE CONTRAS, P.O. Box [illegible], Washington, DC [illegible]

Yes, I want to help Charley and his fellow Freedom Fighters in Nicaragua.

☐ Enclosed is my first month's payment of $16.
☐ Enclosed is $192 for one year's supply of food, medicine, and clothing.
☐ I can't send money now, but I will write my Congressman and tell him to support U.S. aid to the Contras.

Name ____________________

Address ____________________

City ____________________ State ____________ Zip ____________

"Save the Contras" is a project of the College Republican National Fund. Statement of income and expenses available on request.

SAVE THE CONTRAS

Published by the College Republican National Fund, [illegible] St., SE, Washington, D.C. [illegible]

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EXHIBIT OLN-218

MEMORANDUM

NATIONAL SECURITY COUNCIL

Name	Representing	Phone #
Oliver North	NSC	395-3345
Nestor Sanchez	DOD	697-5884
Frank Gómez	I.B.C.	387-3002
Rich Miller	I.B.C.	387-3002
Otto Reich	STATE	632-7023
Walt Raymond	NSC	395-6900
Johnathan Miller	State	632-3220
Jeff Bell	CfA	544 7888
Jack Abram	CFA	544-7888

EXHIBIT
OLN-218

EXHIBIT OLN-219

MEMORANDUM 112

NATIONAL SECURITY COUNCIL

INFORMATION May 20, 1983

N 30915

MEMORANDUM FOR WILLIAM P. CLARK

FROM: WALTER RAYMOND, JR.

SUBJECT: Weekly Report

Faith Whittlesey Effort. The Faith Whittlesey effort is off to a good start. She had meetings with governmental representatives on May 16 (Roger Fontaine and I attended from the NSC) and with private interest groups on May 18. As I've indicated previously to you, she has issued orders for a wide range of papers and background materials to be prepared. Her meeting on Wednesday was largely with conservative groups, and as she told me privately, she says the Central American issue is a good one to reinvigorate support from the conservative sector for the President. She is aware that the group will need to be extended and be bipartisan. The private reps at the second meeting raised the question of establishing a "Coalition for a Democratic Central America." This would be helpful if it happens.

I had a very pleasant half hour meeting with Faith today. She is prepared to work very closely with us and was concerned about George Shultz's charge that she was just duplicating an effort. I described to her the NSDD-77 and our overall public diplomacy approach. She does not seek to preempt any position on policy. She defines her effort as one designed to build support for policy. She recognizes fully the need for substantive and quality control of the product and is quite prepared to depend on us (NSC, State) for policy correctness. She also is prepared to take any and all information we can develop.

We both agreed that the biggest problem will be packaging the product. She has asked for help and suggestions for writers who could possibly be made available. She does not have any hang-ups as to whether the writer sits in the White House on her staff (where she has a vacancy for one) or in the Department with Dick Stone. She is reviewing possible writers and I am too. I have several leads.

Private Funding Effort. I have provided Jeff Davis with a list of funding programs that require private sector support. He is enthusiastic about the package and proceeding forward. Roy Godson reported that he met early this week with a group of private donors that Charlie Wick brought to the sitroom two months ago. The group made their first commitment of $400,000 which includes support to Freedom House, a pro-INF group in Holland, Accuracy in Media, and a European based labor program. These are useful steps forward. More to follow.

EXHIBIT
OLN-219

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JJG mls

EXHIBIT OLN-220

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MEMORANDUM

N 33440
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NATIONAL SECURITY COUNCIL

INFORMATION

August 29, 1983

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: WALTER RAYMOND, JR.

SUBJECT: Central American Outreach

As you are aware, I continue to get a number of proposals dealing with how we can generate a private sector program to support the President on Central America. A refinement of an earlier proposal from Roger Chapin is attached at Tab II. Chapin had earlier communicated with the Judge. I have sent this to Tony Motley.

Bill Casey called on August 26 and would like to follow up on his idea to have a meeting with five or six key public relations specialists. This is referred to in my earlier memorandum. I put him off until after Labor Day.

I think you are right about deflecting this to State. I believe that it is, however, going to be quite time consuming, even recognizing that the work done within the Administration has to, by definition, be at arms length. The more I reflect on Gil Robinson's probable move into State as Shultz's public diplomacy coordinator, the more I think he could be the glue to put this sort of public-private relationship together. He has done this sort of thing before. He has public relations experience, knows how to operate behind the scenes, has the political connections, and lastly, will be in the right place: The Department of State. I do not think it is overlapping with Motley or Reich. They will be plenty busy doing their regular jobs and will benefit from what Gil could do. You might want to touch on this with the Judge. When I philosophized a bit with Bill Casey (in an effort to get him out of the loop), he was negative about turning the ball over to State, but very positive about someone like Gil Robinson working on the problem from within State.

EXHIBIT OLN-220

Attachments

Tab I My memo, same subj, Aug 9, 83
II Chapin memos, Aug 22 & 19, 83

WR, CHRON, Box 6
D, FBI 4/7/87

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MEMORANDUM

N 33441

NATIONAL SECURITY COUNCIL

INFORMATION

August 9, 1983

MEMORANDUM FOR WILLIAM P. CLARK

FROM: WALTER RAYMOND, JR.

SUBJECT: Private Sector Support for Central American Program

Several Administration supporters have identified steps which they believe are important to generating public opinion support for our policies in Central America. The various proposals call for the creation of a bipartisan coalition of concerned citizens to generate majority support for the President's policies. This requires detailed informational programs which highlight developments and realities in the region. It also requires programs which are designed to go beyond simply reaching the committed. We must move out into the middle sector of the American public and draw them into the "support" column. A second package of proposals deal with means to market the issue, largely considering steps utilizing public relations specialists--or similar professionals--to help transmit the message.

A quick review of proposals which are known to me include:

-- A group of public relations specialists met with Bill Casey a few days ago. Faith also met them. The group included Bill Greener, the public affairs head at Philip Morris and two or three others. They "stated" what needed to be done to generate a nation-wide campaign. Several elements were identified. The first, a fund-raising effort under the direction of someone like Walter Wriston. Secondly, an effective communications system inside the Government. The overall purpose would be to sell a "new product"--Central America--by generating interest across-the-spectrum.

-- A group including Charlie Wick, Faith, myself, Alan Bell (Public Relations) and Tom Korologos (Lobbyist) met to discuss how to get the story out into the countryside. In addition, to traditional speaking tours by USG officials, Presidential statements, etc, the Korologos-Bell proposals focussed on the hiring of a public relations firm. They recommended Ron Nessen. Nessen has subsequently presented a proposal.

-- Faith subsequently advised Charlie Wick that she has the prospect of funding from the Mellon-Scaife organization (Terry Slease). Slease wants Tom Cantrell, currently number two in congressional relations in the Department of Energy, to run the program. This would rule Nessen out. Slease also speaks of a $1000 per plate fund raiser to get the activity going. It is not clear whether Cantrell's role is [illegible] fund-raiser or as a political activist. Nor is it clear whether the goal is an "American Coalition" or simply a pressure group. It sounds like an expanded "Outreach Group."

-- [redacted] and I have discussed this and we are concerned that efforts undertaken by Faith's office tend to be confined to preaching to the converted. We recommended funding via Freedom House or some other structure that has credibility in the political center. Wick, via Murdoch, may be able to draw down added funds for this effort. Ron Nessen, or the Wagner-Baroody firm recommended by Cliff White, could be hired by Freedom House.

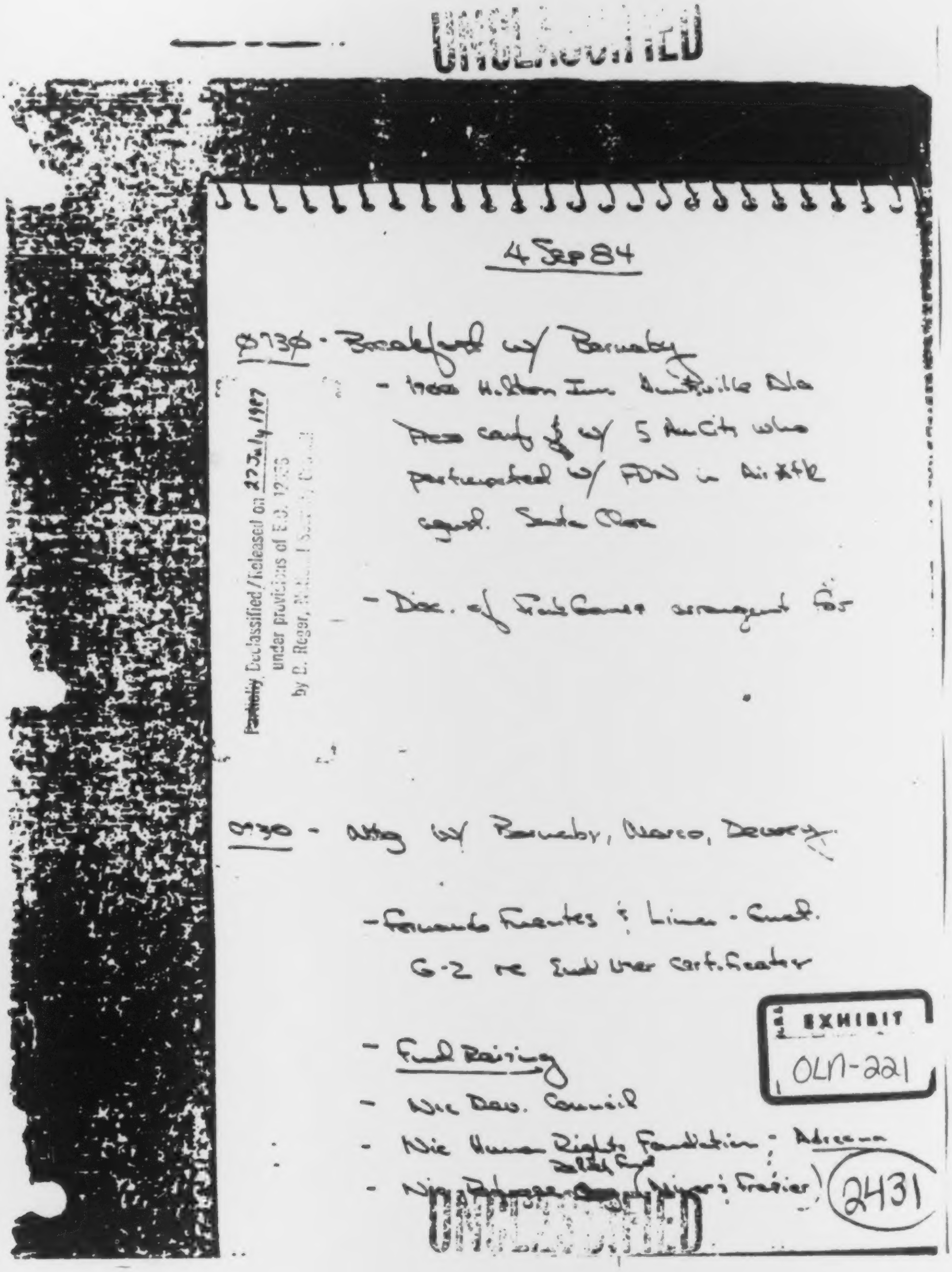
-- Dan James. He has the support of Jeane Kirkpatrick, Leo Cherne, ~~Al~~ Burkholder and others. He has submitted a paper which spells out the parameters of the problem. He also wants to include Latin Americans in the activity. His proposal calls for the creation of a bipartisan Americas Coalition. He believes he can get funding from Ross Perot, Clem Stone and others. Evidently Anne Armstrong will make calls for him. James would like to have a fund raising dinner in which Jeane Kirkpartrick has reportedly agreed to be a key note speaker. James is a good publicist but not a particularly good organizer. His role would be in support of a larger effort.

-- Roger Chapin. He has a similar proposal for a group called Stand Tall America which would generate public knowledge and understanding of the Central American program. Chapin is untested on foreign policy issues although he has a track record of generating public support for causes. He believes the first issue is clarifying the message, examining marketing techniques and then generating a broad popular support base. He would play a support role. Chapin adds that he thinks the only way to mobilize the American people is to make it clear that the Central American issue is a threat because of the Russian involvement.

-- Les Lenkovsky (Smith-Richardson Foundation) believes that we need to create the equivalent of a "Coalition for the Present Danger" to generate public support. Tom Korologos, in a private conversation, said what one needed to do was to identify a competent activist who would take on the organizational job--this includes principally fund raising, public relations/packaging, substantive input. He said someone like a Bill Greener or a Tom Cantrell might serve. Ultimately, we would want to flesh out the committee to make it suitably non-partisan. Several of the names we considered for the Central American Commission would be very constructive participants.

The above discussion identifies several issues. I think there is consensus that we should strive for the creation of a

EXHIBIT OLN-221



UNCLASSIFIED

4 Sep 84

0730 - Breakfast w/ Barnaby
- 1900 Hilton Inn Huntsville Ala
Press conf. w/ 5 Am Cits who
participated w/ FDN in Air Attk
against Santa Clara

- Disc. of Frank Gomez arrangement for

~~Partially~~ Declassified/Released on 27 July 1987
under provisions of E.O. 12356
by D. Reger, National Security Council

0930 - Mtg w/ Barnaby, Marco, Dewey
- Fernando Fuentes & Lima - Guat.
G-2 re End User Certificates

- Fund Raising
- Nic Dev. Council
- Nic Human Rights Foundation - Adriana
- Nic ~~Refugee Org.~~ Relief Fund (Miner & Frazier)

EXHIBIT
OLN-221

2431

UNCLASSIFIED

EXHIBIT OLN-222

5/9

Text of Memorandum dated 4/11/85

TO: Mary Norman (M/COMP)

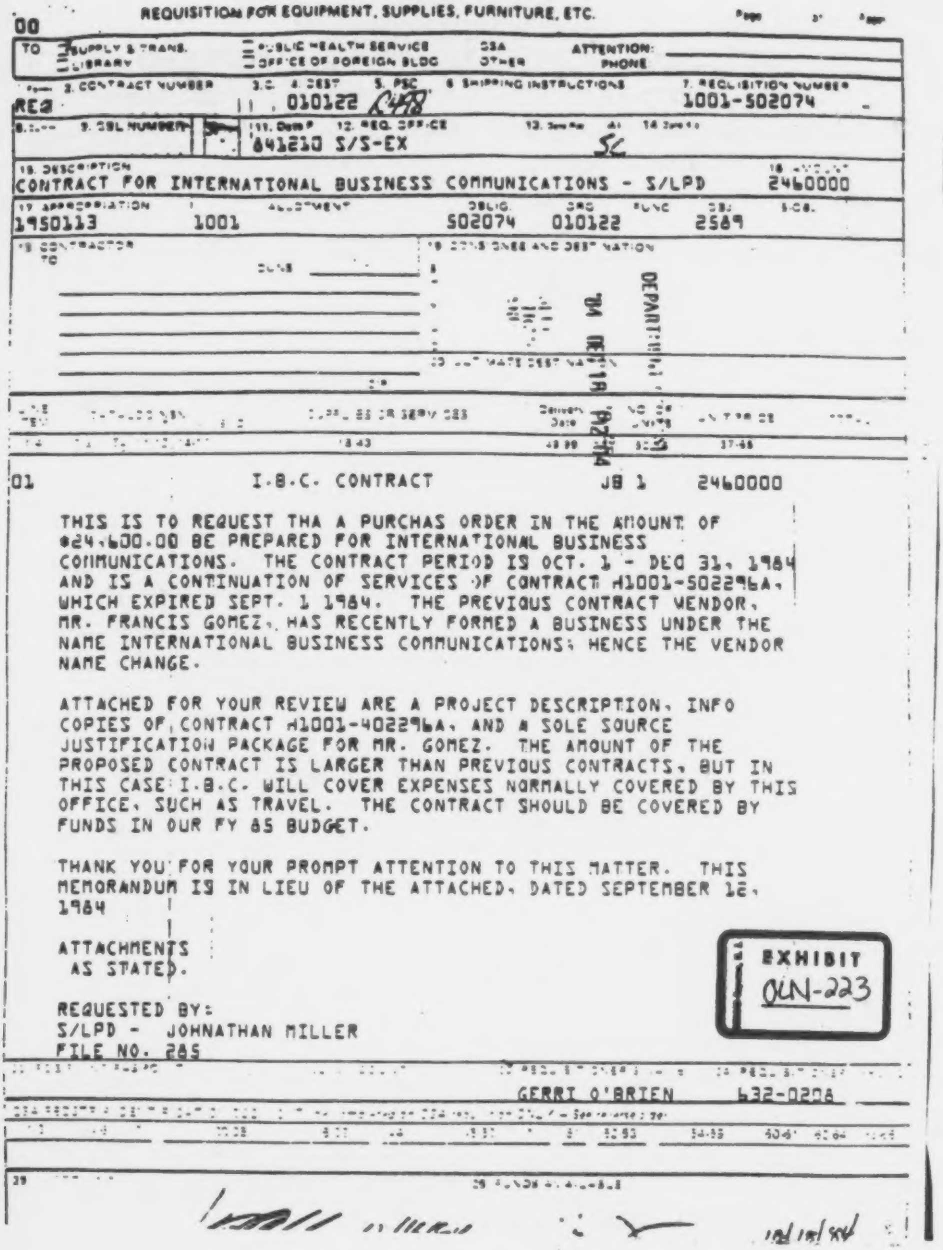
FROM: Frank Gardner (S/LPD)

This is to request the usual timing of 25 to 30 days be set aside to make an emergency payment of $12,858 to IBC in response to its bill dated 4/11/85. This action is of utmost importance, not just to the Department, but to the White House, and the NSC so that IBC, which finds itself temporarily in dire financial straits may have the funds in days ahead to intensify its its efforts in public diplomacy on behalf of the President's Easter Peace Proposal for Nicaragua.

(Contract # 1001-502160)

EXHIBIT
OLN-222

EXHIBIT OLN-223



REQUISITION FOR EQUIPMENT, SUPPLIES, FURNITURE, ETC.

00

TO ☐ SUPPLY & TRANS. ☐ PUBLIC HEALTH SERVICE GSA ATTENTION:
☐ LIBRARY ☐ OFFICE OF FOREIGN BLDG OTHER PHONE

2. CONTRACT NUMBER REQ	3.C.	4. DEST 010122	5. PSC C498	6. SHIPPING INSTRUCTIONS	7. REQUISITION NUMBER 1001-502074
9. GSL NUMBER		11. Date 841210	12. REQ. OFFICE S/S-EX		SL

15. DESCRIPTION
CONTRACT FOR INTERNATIONAL BUSINESS COMMUNICATIONS - S/LPD 2460000

17 APPROPRIATION		ALLOTMENT	OBLIG.	ORG	FUNC	OBJ	S.C.B.
1950113	1001		502074	010122		2589	

18 CONTRACTOR
TO

19 CONSIGNEE AND DESTINATION

DEPARTMENT

01 I.B.C. CONTRACT JB 1 2460000

THIS IS TO REQUEST THA A PURCHAS ORDER IN THE AMOUNT OF $24,600.00 BE PREPARED FOR INTERNATIONAL BUSINESS COMMUNICATIONS. THE CONTRACT PERIOD IS OCT. 1 - DEC 31, 1984 AND IS A CONTINUATION OF SERVICES OF CONTRACT H1001-502296A, WHICH EXPIRED SEPT. 1 1984. THE PREVIOUS CONTRACT VENDOR, MR. FRANCIS GOMEZ, HAS RECENTLY FORMED A BUSINESS UNDER THE NAME INTERNATIONAL BUSINESS COMMUNICATIONS; HENCE THE VENDOR NAME CHANGE.

ATTACHED FOR YOUR REVIEW ARE A PROJECT DESCRIPTION, INFO COPIES OF CONTRACT H1001-402296A, AND A SOLE SOURCE JUSTIFICATION PACKAGE FOR MR. GOMEZ. THE AMOUNT OF THE PROPOSED CONTRACT IS LARGER THAN PREVIOUS CONTRACTS, BUT IN THIS CASE I.B.C. WILL COVER EXPENSES NORMALLY COVERED BY THIS OFFICE, SUCH AS TRAVEL. THE CONTRACT SHOULD BE COVERED BY FUNDS IN OUR FY 85 BUDGET.

THANK YOU FOR YOUR PROMPT ATTENTION TO THIS MATTER. THIS MEMORANDUM IS IN LIEU OF THE ATTACHED, DATED SEPTEMBER 12, 1984

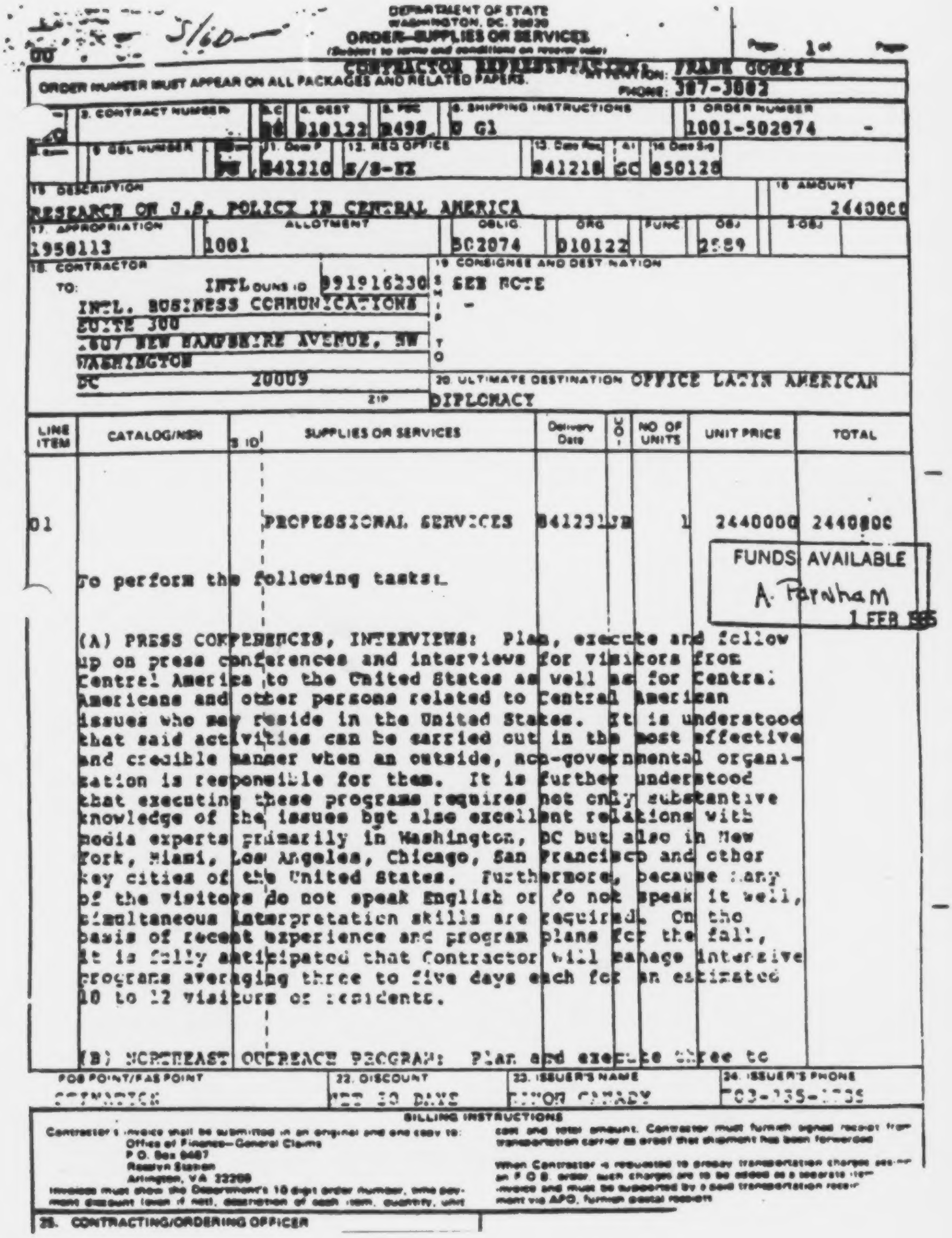
ATTACHMENTS
AS STATED.

REQUESTED BY:
S/LPD - JOHNATHAN MILLER
FILE NO. 285

EXHIBIT
OLN-223

GERRI O'BRIEN 632-0208

28 FUNDS AVAILABLE



S/LPD

DEPARTMENT OF STATE
WASHINGTON, DC. 20520
ORDER—SUPPLIES OR SERVICES
(Subject to terms and conditions on reverse side)

Page 1 of Pages

CONTRACTOR REPRESENTATIVE: ATTENTION: FRANK GOMEZ
ORDER NUMBER MUST APPEAR ON ALL PACKAGES AND RELATED PAPERS. PHONE: 387-3082

2. CONTRACT NUMBER	3. C	4. DEST 010122	5. FSC 2498	6. SHIPPING INSTRUCTIONS D G1	7. ORDER NUMBER 1001-502074 -
9. GBL NUMBER		11. Date P 841210	12. REQ OFFICE S/S-EX	13. Date Req 841218	41 GC	14. Date Sig 850128

15. DESCRIPTION
RESEARCH ON U.S. POLICY IN CENTRAL AMERICA
16. AMOUNT
2440000

17. APPROPRIATION	ALLOTMENT	OBLIG.	ORG	FUNC	OBJ	S-OBJ
1950113	1001	502074	010122		2589	

18. CONTRACTOR
TO: INTL DUNS ID 991916230
INTL. BUSINESS COMMUNICATIONS
SUITE 300
1807 NEW HAMPSHIRE AVENUE, NW
WASHINGTON
DC 20009
ZIP

19. CONSIGNEE AND DESTINATION
SHIP TO SEE NOTE
-

20. ULTIMATE DESTINATION OFFICE LATIN AMERICAN DIPLOMACY

LINE ITEM	CATALOG/NSN	S ID	SUPPLIES OR SERVICES	Delivery Date	U/O/I	NO OF UNITS	UNIT PRICE	TOTAL
01			PROFESSIONAL SERVICES	841231	JB	1	2440000	2440000

FUNDS AVAILABLE
A. Parnham
1 FEB 85

To perform the following tasks:

(A) PRESS CONFERENCES, INTERVIEWS: Plan, execute and follow up on press conferences and interviews for visitors from Central America to the United States as well as for Central Americans and other persons related to Central American issues who may reside in the United States. It is understood that said activities can be carried out in the most effective and credible manner when an outside, non-governmental organization is responsible for them. It is further understood that executing these programs requires not only substantive knowledge of the issues but also excellent relations with media experts primarily in Washington, DC but also in New York, Miami, Los Angeles, Chicago, San Francisco and other key cities of the United States. Furthermore, because many of the visitors do not speak English or do not speak it well, simultaneous interpretation skills are required. On the basis of recent experience and program plans for the fall, it is fully anticipated that Contractor will manage intensive programs averaging three to five days each for an estimated 10 to 12 visitors or residents.

(B) NORTHEAST OUTREACH PROGRAM: Plan and execute three to

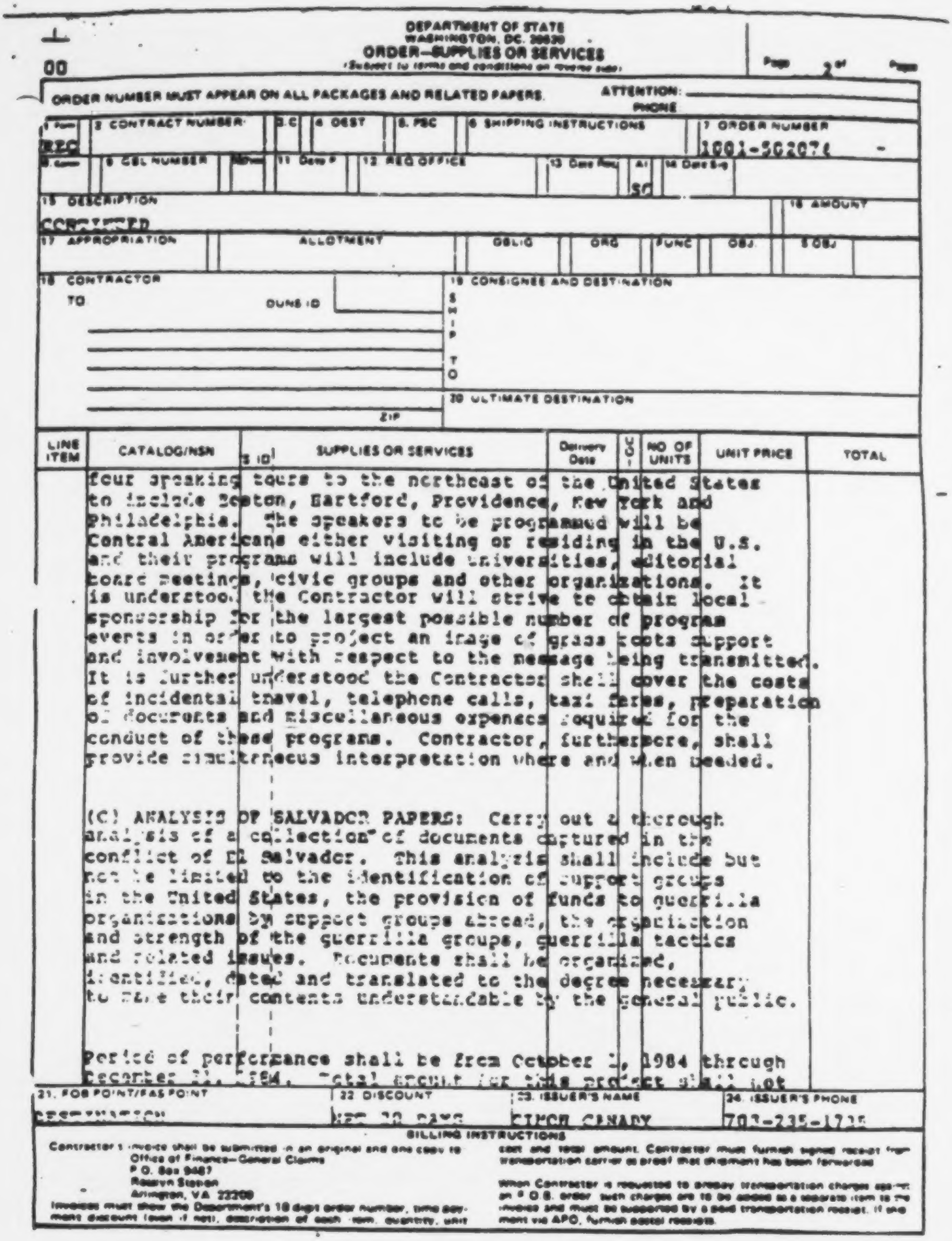
FOB POINT/FAS POINT	22. DISCOUNT	23. ISSUER'S NAME	24. ISSUER'S PHONE
DESTINATION	NET 30 DAYS	[illegible] CANADY	703-235-[illegible]

BILLING INSTRUCTIONS

Contractor's invoice shall be submitted in an original and one copy to:
Office of Finance—General Claims
P.O. Box 9487
Rosslyn Station
Arlington, VA 22209
Invoices must show the Department's 10 digit order number, time payment discount (even if net), description of each item, quantity, unit cost and total amount. Contractor must furnish signed receipt from transportation carrier as proof that shipment has been forwarded.

When Contractor is requested to prepay transportation charges against an F.O.B. order, such charges are to be added as a separate item on invoice and must be supported by a paid transportation receipt. For shipment via APO, furnish postal receipt.

25. CONTRACTING/ORDERING OFFICER



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DEPARTMENT OF STATE
WASHINGTON, DC. 20520
ORDER—SUPPLIES OR SERVICES
(Subject to terms and conditions on reverse side)

Page 2 of Pages

ORDER NUMBER MUST APPEAR ON ALL PACKAGES AND RELATED PAPERS.

ATTENTION:
PHONE

1 Form: REQ
2 CONTRACT NUMBER:
3 C
4 DEST
5 FSC
6 SHIPPING INSTRUCTIONS
7 ORDER NUMBER: 1001-502074 -

8
9 GSL NUMBER
10
11 Date
12 REQ OFFICE
13 Date Req
A/I: SO
14 Date Sig

15 DESCRIPTION: CONTINUED
16 AMOUNT

17 APPROPRIATION | ALLOTMENT | OBLIG | ORG | FUNC | OBJ | S OBJ

18 CONTRACTOR
TO
DUNS ID
ZIP

19 CONSIGNEE AND DESTINATION
SHIP TO

20 ULTIMATE DESTINATION

LINE ITEM | CATALOG/NSN | S ID | SUPPLIES OR SERVICES | Delivery Date | U/I | NO OF UNITS | UNIT PRICE | TOTAL

four speaking tours to the northeast of the United States to include Boston, Hartford, Providence, New York and Philadelphia. The speakers to be programmed will be Central Americans either visiting or residing in the U.S. and their programs will include universities, editorial board meetings, civic groups and other organizations. It is understood the Contractor will strive to obtain local sponsorship for the largest possible number of program events in order to project an image of grass roots support and involvement with respect to the message being transmitted. It is further understood the Contractor shall cover the costs of incidental travel, telephone calls, taxi fares, preparation of documents and miscellaneous expenses required for the conduct of these programs. Contractor, furthermore, shall provide simultaneous interpretation where and when needed.

(C) ANALYSIS OF SALVADOR PAPERS: Carry out a thorough analysis of a collection of documents captured in the conflict of El Salvador. This analysis shall include but not be limited to the identification of support groups in the United States, the provision of funds to guerrilla organizations by support groups abroad, the organization and strength of the guerrilla groups, guerrilla tactics and related issues. Documents shall be organized, identified, dated and translated to the degree necessary to make their contents understandable by the general public.

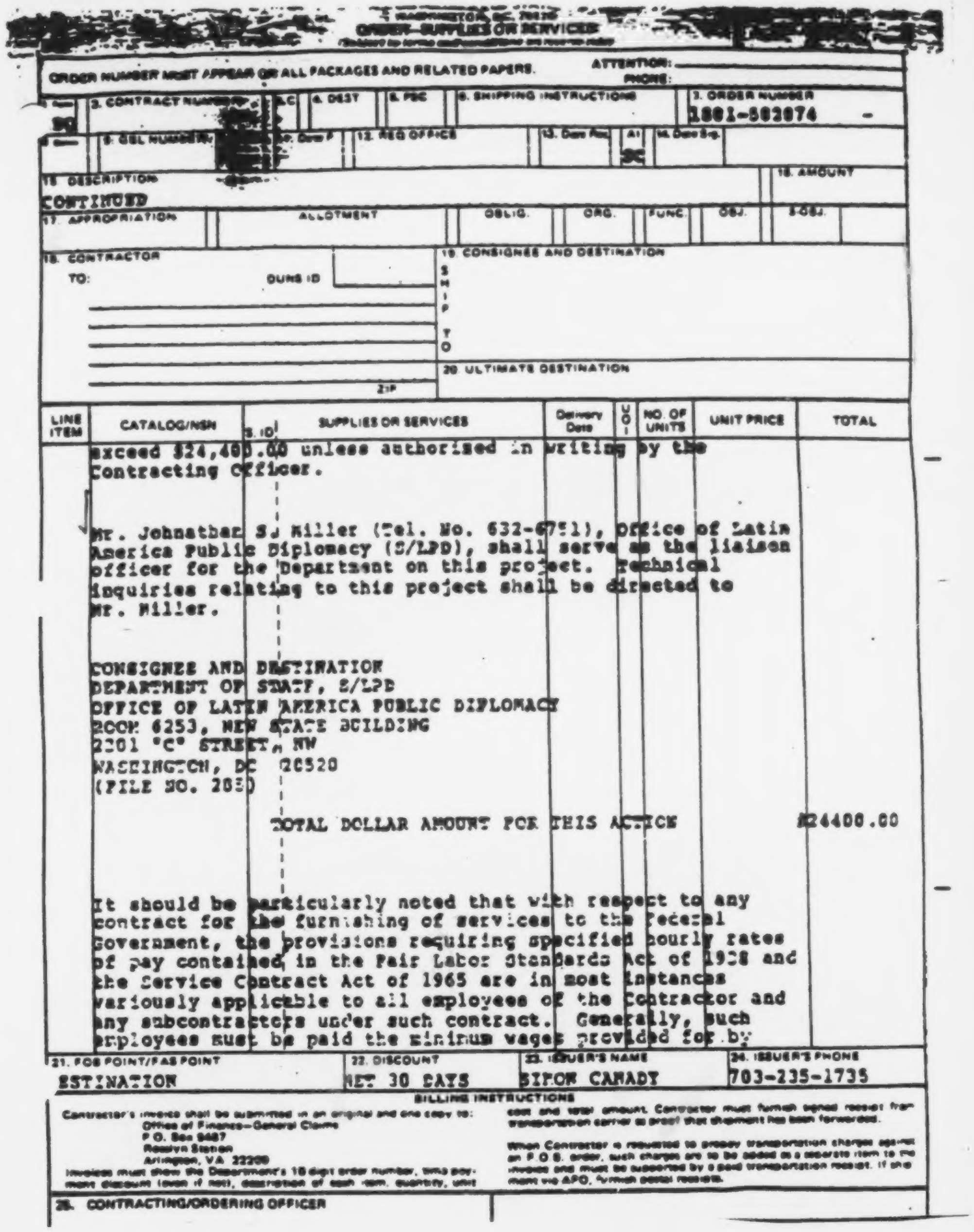
Period of performance shall be from October 1, 1984 through December 31, 1984. Total amount for this project shall not

21. FOB POINT/FAS POINT: DESTINATION
22 DISCOUNT: NET 30 DAYS
23. ISSUER'S NAME: CIPCH CANADY
24. ISSUER'S PHONE: 703-235-1715

BILLING INSTRUCTIONS

Contractor's invoice shall be submitted in an original and one copy to
Office of Finance—General Claims
P.O. Box 9487
Rosslyn Station
Arlington, VA 22209
Invoices must show the Department's 10 digit order number, time payment discount (even if net), description of each item, quantity, unit cost and total amount. Contractor must furnish signed receipt from transportation carrier as proof that shipment has been forwarded.

When Contractor is requested to prepay transportation charges against an F.O.B. order, such charges are to be added as a separate item to the invoice and must be supported by a paid transportation receipt. If shipment via APO, furnish postal receipts.



WASHINGTON, D.C. 20520

ORDER—SUPPLIES OR SERVICES

(Subject to terms and conditions on reverse side)

ORDER NUMBER MUST APPEAR ON ALL PACKAGES AND RELATED PAPERS.

ATTENTION:

PHONE:

1. SO	2. CONTRACT NUMBER [redacted]	3. C	4. DEST	5. FSC	6. SHIPPING INSTRUCTIONS	7. ORDER NUMBER 1801-582874 -
8.	9. GSL NUMBER	10. Date P	12. REQ OFFICE	13. Date Req	A1 SC	14. Date Sig.

15. DESCRIPTION

CONTINUED

16. AMOUNT

17. APPROPRIATION	ALLOTMENT	OBLIG.	ORG.	FUNC.	OBJ.	S-OBJ.

18. CONTRACTOR

TO:

DUNS ID

ZIP

19. CONSIGNEE AND DESTINATION

SHIP TO

20. ULTIMATE DESTINATION

LINE ITEM	CATALOG/NSN	S.ID	SUPPLIES OR SERVICES	Delivery Date	U/OI	NO. OF UNITS	UNIT PRICE	TOTAL

exceed $24,400.00 unless authorized in writing by the Contracting Officer.

Mr. Johnathan S. Miller (Tel. No. 632-6751), Office of Latin America Public Diplomacy (S/LPD), shall serve as the liaison officer for the Department on this project. Technical inquiries relating to this project shall be directed to Mr. Miller.

CONSIGNEE AND DESTINATION
DEPARTMENT OF STATE, S/LPD
OFFICE OF LATIN AMERICA PUBLIC DIPLOMACY
ROOM 6253, NEW STATE BUILDING
2201 "C" STREET, NW
WASHINGTON, DC 20520
(FILE NO. 203)

TOTAL DOLLAR AMOUNT FOR THIS ACTION $24400.00

It should be particularly noted that with respect to any contract for the furnishing of services to the Federal Government, the provisions requiring specified hourly rates of pay contained in the Fair Labor Standards Act of 1938 and the Service Contract Act of 1965 are in most instances variously applicable to all employees of the Contractor and any subcontractors under such contract. Generally, such employees must be paid the minimum wages provided for by

21. FOB POINT/FAS POINT	22. DISCOUNT	23. ISSUER'S NAME	24. ISSUER'S PHONE
ESTINATION	NET 30 DAYS	SIMON CANADY	703-235-1735

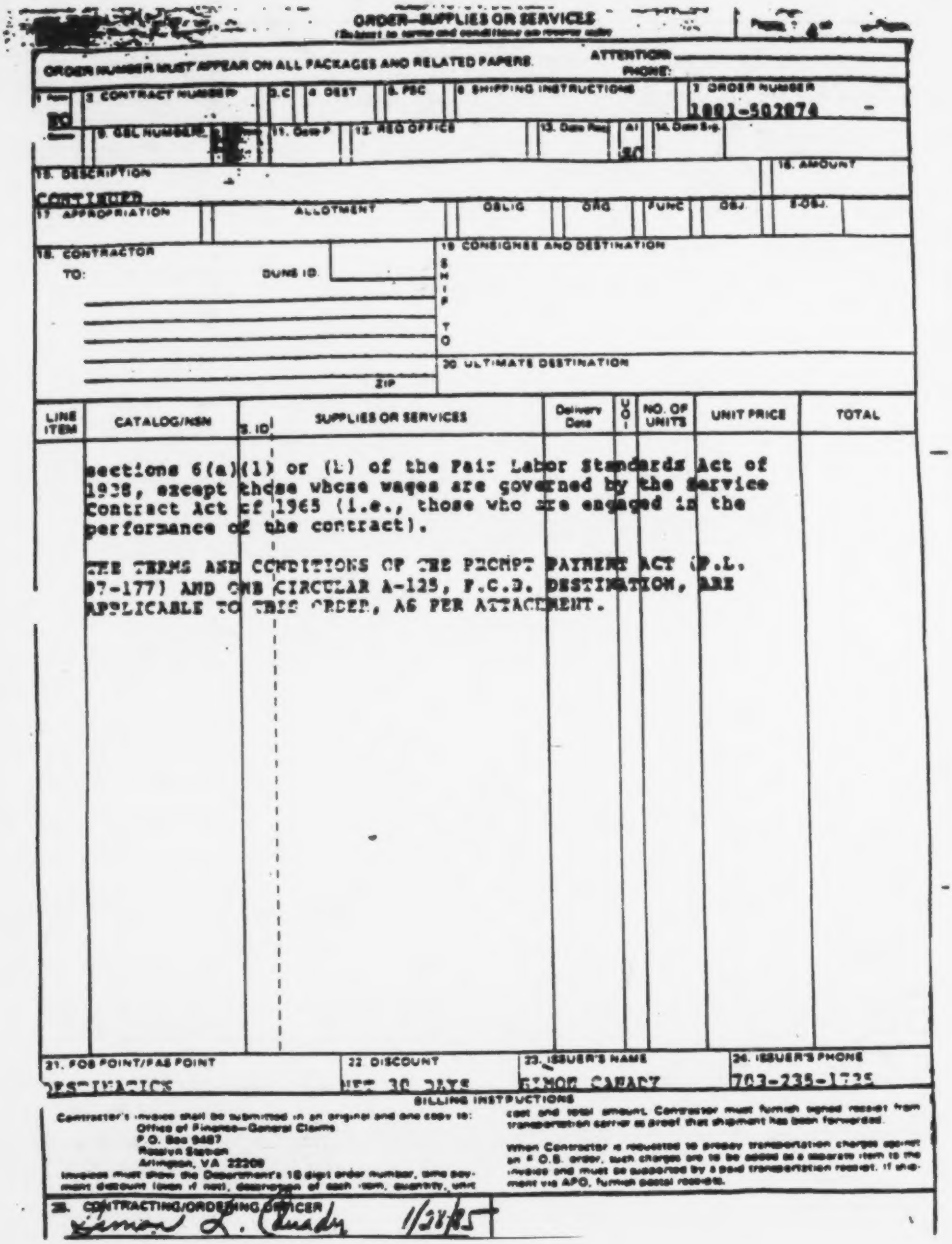
BILLING INSTRUCTIONS

Contractor's invoice shall be submitted in an original and one copy to:
Office of Finance—General Claims
P.O. Box 9487
Rosslyn Station
Arlington, VA 22209

Invoices must show the Department's 18 digit order number, time payment discount (even if not), description of each item, quantity, unit cost and total amount. Contractor must furnish signed receipt from transportation carrier as proof that shipment has been forwarded.

When Contractor is requested to prepay transportation charges against an F.O.B. order, such charges are to be added as a separate item to the invoice and must be supported by a paid transportation receipt. If shipment via APO, furnish postal receipts.

25. CONTRACTING/ORDERING OFFICER



ORDER—SUPPLIES OR SERVICES
(Subject to terms and conditions on reverse side)

Page 4 of Pages

ORDER NUMBER MUST APPEAR ON ALL PACKAGES AND RELATED PAPERS.

ATTENTION:
PHONE:

1. Form: BO
2. CONTRACT NUMBER
3. C
4. DEST
5. FSC
6. SHIPPING INSTRUCTIONS
7. ORDER NUMBER: 1001-502874 -
9. GSL NUMBER
11. Date P
12. REQ OFFICE
13. Date Req
AI: 80
14. Date Sig.
15. DESCRIPTION: CONTINUED
16. AMOUNT
17. APPROPRIATION
ALLOTMENT
OBLIG
ORG
FUNC
OBJ.
S-OBJ.
18. CONTRACTOR
TO:
DUNS ID.
ZIP
19. CONSIGNEE AND DESTINATION
SHIP TO
20. ULTIMATE DESTINATION

LINE ITEM	CATALOG/NSN	S. ID	SUPPLIES OR SERVICES	Delivery Date	U/O/I	NO. OF UNITS	UNIT PRICE	TOTAL

sections 6(a)(1) or (2) of the Fair Labor Standards Act of 1938, except those whose wages are governed by the Service Contract Act of 1965 (i.e., those who are engaged in the performance of the contract).

THE TERMS AND CONDITIONS OF THE PROMPT PAYMENT ACT (P.L. 97-177) AND OMB CIRCULAR A-125, F.O.B. DESTINATION, ARE APPLICABLE TO THIS ORDER, AS PER ATTACHMENT.

21. FOB POINT/FAS POINT: DESTINATION
22. DISCOUNT: NET 30 DAYS
23. ISSUER'S NAME: SIMON CANADY
24. ISSUER'S PHONE: 703-235-1735

BILLING INSTRUCTIONS

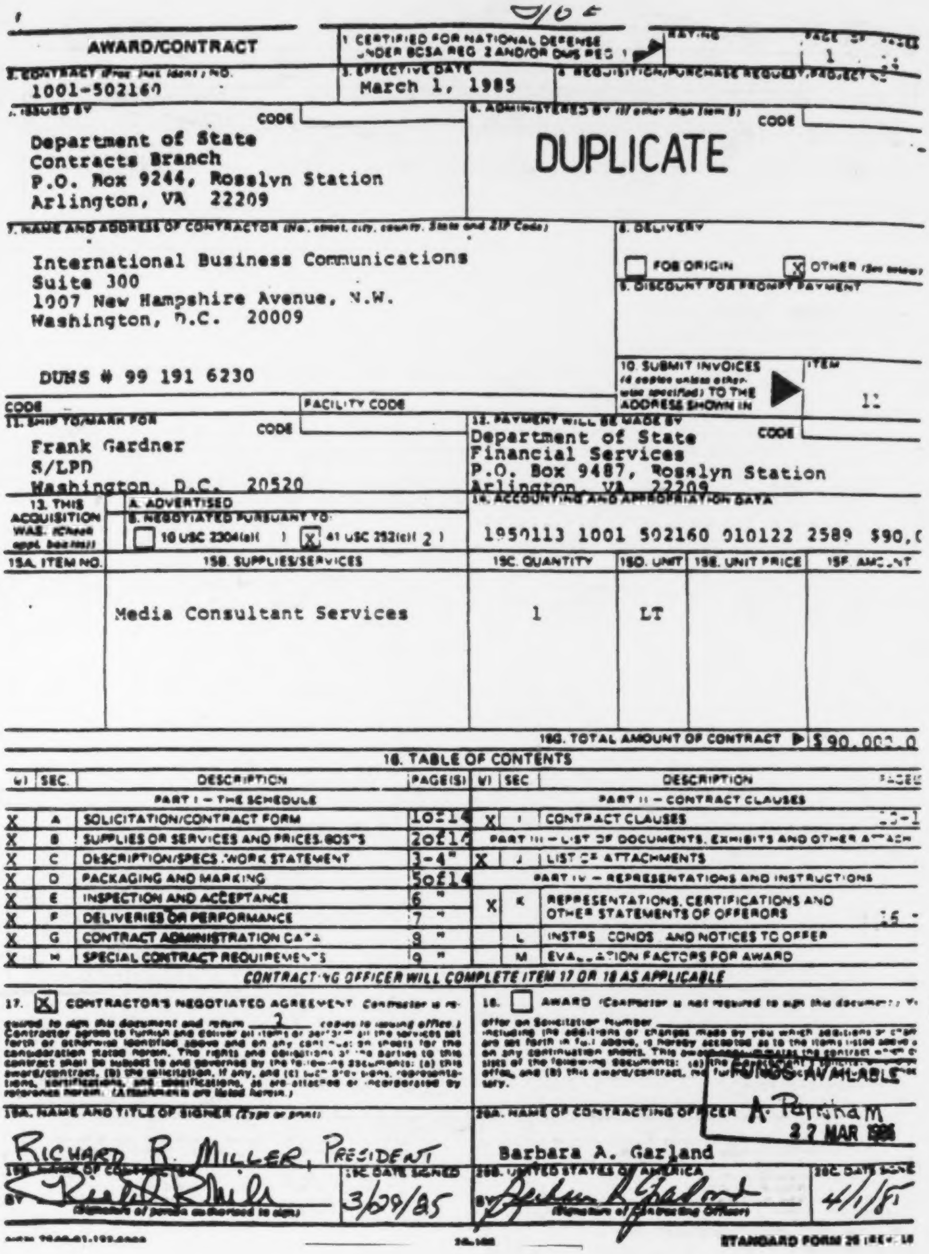
Contractor's invoice shall be submitted in an original and one copy to:

Office of Finance—General Claims
P.O. Box 9487
Rosslyn Station
Arlington, VA 22209

Invoices must show the Department's 10 digit order number, time payment discount (even if net), description of each item, quantity, unit cost and total amount. Contractor must furnish signed receipt from transportation carrier as proof that shipment has been forwarded.

When Contractor is requested to prepay transportation charges against an F.O.B. order, such charges are to be added as a separate item to the invoice and must be supported by a paid transportation receipt. If shipment via APO, furnish postal receipts.

25. CONTRACTING/ORDERING OFFICER
Simon L. Canady 1/28/85



910

AWARD/CONTRACT

1. CERTIFIED FOR NATIONAL DEFENSE UNDER BCSA REG. 2 AND/OR DMS REG. 1 ▶ | RATING | PAGE OF PAGES 1

2. CONTRACT (Proc. Inst. Ident.) NO.
1001-502160

3. EFFECTIVE DATE
March 1, 1985

4. REQUISITION/PURCHASE REQUEST/PROJECT NO.

5. ISSUED BY CODE
Department of State
Contracts Branch
P.O. Box 9244, Rosslyn Station
Arlington, VA 22209

6. ADMINISTERED BY (If other than Item 5) CODE
DUPLICATE

7. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, State and ZIP Code)
International Business Communications
Suite 300
1907 New Hampshire Avenue, N.W.
Washington, D.C. 20009

DUNS # 99 191 6230

CODE — FACILITY CODE

8. DELIVERY
☐ FOB ORIGIN ☒ OTHER (See below)

9. DISCOUNT FOR PROMPT PAYMENT

10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN ▶ ITEM 12

11. SHIP TO/MARK FOR CODE
Frank Gardner
S/LPD
Washington, D.C. 20520

12. PAYMENT WILL BE MADE BY CODE
Department of State
Financial Services
P.O. Box 9487, Rosslyn Station
Arlington, VA 22209

13. THIS ACQUISITION WAS: (Check appl. box(es))
☐ A. ADVERTISED
B. NEGOTIATED PURSUANT TO: ☐ 10 USC 2304(a)( ) ☒ 41 USC 252(c)(2)

14. ACCOUNTING AND APPROPRIATION DATA
1950113 1001 502160 010122 2589 $90,0

15A. ITEM NO.	15B. SUPPLIES/SERVICES	15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT
	Media Consultant Services	1	LT		

15G. TOTAL AMOUNT OF CONTRACT ▶ $90,000.0

16. TABLE OF CONTENTS

(✓)	SEC.	DESCRIPTION	PAGE(S)	(✓)	SEC.	DESCRIPTION	PAGES
		PART I – THE SCHEDULE				PART II – CONTRACT CLAUSES	
X	A	SOLICITATION/CONTRACT FORM	1of14	X	I	CONTRACT CLAUSES	10-1
X	B	SUPPLIES OR SERVICES AND PRICES/COSTS	2of14			PART III – LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH	
X	C	DESCRIPTION/SPECS./WORK STATEMENT	3-4"	X	J	LIST OF ATTACHMENTS	
X	D	PACKAGING AND MARKING	5of14			PART IV – REPRESENTATIONS AND INSTRUCTIONS	
X	E	INSPECTION AND ACCEPTANCE	6 "	X	K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS	15 -
X	F	DELIVERIES OR PERFORMANCE	7 "				
X	G	CONTRACT ADMINISTRATION DATA	9 "		L	INSTRS., CONDS., AND NOTICES TO OFFER	
X	H	SPECIAL CONTRACT REQUIREMENTS	9 "		M	EVALUATION FACTORS FOR AWARD	

CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

17. ☒ CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 2 copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)

18. ☐ AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number ______ including the additions or changes made by you which additions or chan are set forth in full above, is hereby accepted as to the items listed above on any continuation sheets. This award consummates the contract which c sists of the following documents: (a) the Government's solicitation and offer, and (b) this award/contract. No further contractual document is nec sary.

FUNDS AVAILABLE
A. Parrisham
27 MAR 1985

19A. NAME AND TITLE OF SIGNER (Type or print)
RICHARD R. MILLER, PRESIDENT

19B. NAME OF CONTRACTOR
BY Richard R. Miller
(Signature of person authorized to sign)

19C. DATE SIGNED
3/29/85

20A. NAME OF CONTRACTING OFFICER
Barbara A. Garland

20B. UNITED STATES OF AMERICA
BY Barbara A. Garland
(Signature of Contracting Officer)

20C. DATE SIGNED
4/1/85

NSN 7540-01-152-8069 26-106 STANDARD FORM 26 (REV. 1

FYI

te. tes Department of State
Washington, D.C. 20520

S
8a.

September 23, 1985

MEMORANDUM

TO: PER/MGT - Dorothy M. Sampas

FROM: L/M - Dennis J. Gallagher DJG

SUBJECT: Proposed S/LPD Contract for Public Information Services

Cassie Sopko of your office has asked that I review the scope of work proposed for a contract with Mark Richards Associates, Inc., under which Col. Richards (USAF/Ret.) would provide public information and related services to the Office of Public Diplomacy for Latin America and the Caribbean (S/LPD). In particular, I understand that your office is concerned about the propriety of that portion of the scope of work under which Col. Richards would "provide briefings and backgrounders to national and international members of the media regarding the current and developing situations in Latin America and the Caribbean." Ms. Sopko expressed concern that this would make Col. Richards appear to be the representative or spokesperson of the Department, and would thereby constitute performance of an inherently Governmental function. Cf. OMB Circular No. A-76 (Rev. Aug. 4, 1983), para. 5.b.

While most larger Government agencies have an in-house public information office, public information functions are not inherently Governmental, nor does performance of such functions necessarily connote employee status. Public relations services are in fact listed in OMB Circular No. A-76, Attachment A, as an example of services that are available from commercial sources. Assuming that no employer-employee relationship is created by the terms or actual administration of the contract, media information and other public relations services may be obtained by contract.

This memorandum should not be understood as addressing the appropriateness of the terms of compensation suggested by S/LPD, nor as concurring in S/LPD's recommendation, which is stated in conclusory terms without an adequate factual basis, that the contract be awarded on a sole-source basis without public notice. I would note that it is plainly inconsistent for S/LPD to assert in an unclassified draft sole source justification that these contract arrangements should not be disclosed to the public. If this is actually so, both the contract and requisition/solicitation documents should be classified. Please let me know if I may provide further information or assistance in this matter.

L/M:DJGallagher
9/23/85: Tel. 632-0767

cc. OPR/STP - Mr. Conway, Ms. Berryhill

United States Department of State

Coordinator of Public Diplomacy for
Latin America and the Caribbean

Washington, D.C. 20520

S

31

September 24, 1985

MEMORANDUM

TO: S/S-EX - Mr. Pat Kennedy

FROM: S/LPD - Otto Reich

SUBJECT: A Contract for International Business Communications

This is to request a fixed-priced contract for International Business Communications (IBC) in the amount of $278,725. This contract will begin October 1, 1985, and will end September 30, 1986.

Total cost of contract is based on similar services rendered in FY 1985 by International Business Communications to S/LPD, and additional services involving distribution of S/LPD publications, as follows:

Salaries	
Two senior partners 50% of time $5,000 per month for 12 months	$60,000
Three I.B.C. staff members 35% of time $1,500 per month for 12 months	18,000
Representation	4,000
Translation of articles, speeches, written materials	4,000
Interpretation fees	2,500

Materials and Distribution	
Postage	2,000
Messenger/courier	1,500
Telex	2,000
Telephone	3,000
Photocopies	2,000
Purchase of books, materials	2,000
Photographic services	1,500
Event Coordinaton	
Room Rental	3,500
Audio-Visual, Equipment Rental	1,000
Secretarial Services	1,000
Travel Expenses	
I.B.C. Principals	10,000
Other	8,000
Taxi	1,500
Sub-total	$127,500

Distribution

Salary for Direct Mail Professional (1 year)	50,000
Salary for Computer Specialist (1 year)	22,500
Furnishings/Equipment	17,500
Transportation	
Vehicle	15,000
Parking	1,000
Driver/Messenger/Clerk	16,000
Maintenance/Gas	2,000
Insurance	1,500
Telephone	2,000
Supplies	4,000
Overhead - 15%	19,725
Subtotal	$151,225
Total	$278,725

The services to be rendered by IBC are critical to our public diplomacy strategy and toward increasing understanding of U.S. policy in Central America and the Caribbean.

The services and the contractual arrangement with IBC are not to be publicly disclosed because of their character, ingredients, and components.

Services will be performed at:

International Business Communications
1523 New Hampshire Avenue, N.W Suite 200
Washington, D.C. 20036

A sole-source justification is attached.

John Blacken, Deputy Coordinator of Public Diplomacy for Latin American and the Caribbean, S/LPD, shall serve as the Contracting Officer's Technical Representative (COTR). His telephone number is 632-6751.

During FY-1986, IBC will provide services under the direction of S/LPD, as follows:

1. Provide counsel and assistance to S/LPD for programs during visits to Washington and the United States of Central American representatives of political, business, and humanitarian organizations.
2. Provide S/LPD contact to Central American refugee groups and exiles in Washington and the U.S., arranging their activities to include media events, interviews, and public appearances.
3. Translate and distribute articles on Central America to United States news organizations and public-interest groups.
4. Provide points of contact for congressional and public-interest offices seeking to interview exiles and refugees.
5. Seek out and establish media and public-speaking opportunities for Nicaraguan exiles and refugees.

6. Brief correspondents and syndicated columnists on materials and sources. Where necessary, provide on-the-ground, in-country logistical support.

7. Compose and edit letters to the editor of major newspapers and magazines in response to articles on Central America.

8. Provide S/LPD with op-ed pieces and feature articles for distribution to selected newspapers and magazines.

9. Travel to and coordinate S/LPD-directed media visits to Central America.

10. Provide source materials for journalists who contact S/LPD for information relating to the regional conflicts.

12. Provide and present briefings to individuals designated by S/LPD on security considerations, refugee problems, and political dynamics of the region.

13. Edit briefing materials created by S/LPD.

14. Maintain contact with public-policy organizations.

15. Design, organize and run a distribution system for S/LPD publications.

16. Design, develop, maintain and update specialized, computerized addressee lists.

17. Provide coordination with S/LPD and FAIM/PS for co-ordinating print runs of publications, and maintain S/LPD's publications for in-house distribution.

18. Provide inventory control, storage, mailing and shipping of S/LPD publications, both to lists and on a request basis.

19. Conduct special studies and projects as may be required.

Because of the start-up investment required for the distribution segment of this contract, payment schedule should be as follows;

1. $30,000 each month for October and November, 1985.
2. Beginning December, 1985, payments each month of $21,872.50.

The completed contract and payment checks should be sent to;

International Business Communications
1523 New Hampshire Avenue, NW, Suite 200
Washington, D. C. 20036

Thank you for your assistance in processing this request.

Drafted by:S/LPD:FGardner:632-6751
9/24/85
Cleared:S/LPD:JBlacken

SOLE-SOURCE JUSTIFICATION

S/LPD is tasked with the coordination of Latin American public diplomacy efforts. Some of the major components of this effort are as follows:

- An ability to respond to major media outlets and to inform the American public regarding current Administration policies and programs.
- A responsibility to present to American audiences, by way of public appearances, panel shows, and press conferences, those vicitims and eye witnesses from the region who can demonstrate the truth about communist-supported political and military oppression, human rights violations, and acts of terrorism.
- Formulation and maintenance of a basic kit for selected speakers to present declassified and unclassified material to a wide range of American audiences.
- The preparation and distribution of one-page briefs to address frequently stated criticism of U.S. policy in the region.
- Publication and distribution of documents involved with U.S. public diplomacy.

International Business Comunications (IBC), with its staff of ten persons, is uniquely qualified to continue its work in this effort, such projects which are beyond the capabilities of the limited S/LPD staff to undertake. Some of the unique features of IBC are as follows:

- Full-staff language capacity in Spanish.
- In-depth files on Central American countries.
- Trust of Ncaraguan refugee groups.
- Expertise in direct mail and distribution of documents.

The senior partners of IBC are:

- Frank Gomez, former deputy assistant secretary of state for public affairs; later, director of USIA's Foreign Press Centers; former foreign service officer in Costa Rica, Colombia, and Haiti; bilingual in Spanish.
- Richard R. Miller, former director of public affairs for AID.

Since their government service, both senior partners have traveled to and written about Central American countries and political groups.

In addition, the continuing project requires the following capabilities, all of which each senior partner has:

- Top Scret security clearance.
- Expertise in Central American affairs.
- Understanding of U.S. policy in the region .
- Knowledge of how the American news media works.
- Insight into the design of public information strategies.
- Superior writing skills.
- Care in the handling of sensitive documents.
- Good judgement in compling information for public consumption.
- Ability: To write "talking points."
  - To prepare and maintain speaker kits.
  - To analyze media reporting.
  - To interact with senior government officials.

United States Department of State

Coordinator of Public Diplomacy for
Latin America and the Caribbean

Washington, D.C. 20520

February 24, 1986

MEMORANDUM

TO: A/OPR/STP/P - Ms. Barbara A. Garland, Acting Chief

FROM: S/LPD - John D. Blacken

SUBJECT: Proposed Contract with International Business Communication, Inc. (IBC) - Requisition No. 1001-602066

REF: Your Memorandum of 2/6/86

This memorandum is to acknowledge that we instructed IBC to continue its services FY-86 after the expiration of their prior year contract. As you are aware, our prior Administrative Officer believed that the 1985 Contract contained a renewability clause, and proceeded on that basis erroneously.

Further, our core programs were totally dependent upon uninterrupted services contracted from IBC. The services rendered by IBC since 1984 represent fundamental input to the documents and speeches prepared as part of the core activity of S/LPD. Without continuity of operations, serious detrimental effects on S/LPD's mission would have occurred. Additionally, throughout this period S/LPD was dealing with administrative levels in the Department to insure continuity of the contract under established sole-source purchase procedures.

The services provided by the contract are such that publication of the general nature of the performance would be detrimental to ongoing programs under S/LPD. Further, release of the general nature of the contract could allow elements unfriendly to the United States to deduce sensitive interagency operations of S/LPD, the secrecy of which is fundamental to their success. Revelation of certain operations or allowing speculation could result in serious damage to our relations with several allies and other sovereign states. This is a precise definition of "SECRET" information.

Text of 2/29/86 Memorandum from Thoman Calhoun to Barbara Garland

We have determined that the entire contract with IBC will be classified secret. The citations for this action are FAR 6.302-6 for national security considerations and FAR 5.202 for unusual and compelling reasons.

EFENSE INVESTIGATIVE SERVIC
CAPITAL REGION
HOFFMAN BLDG 1 RM 748
2461 EISENHOWER AVE
ALEXANDRIA VA 22331-1000

- 5
18a

Reply to
Attn of: S1511(Ms. Bradsher/(202)325-9395/tnk)

March 18, 1986

Mr. Nicholas G. Mariano, Acting Chief
Procedural Security Division
Overseas Security Programs
Department of State
Washington, DC 20520

'86 MAR 26 P1:20

Dear Mr. Mariano:

Reference is made to your letter of February 5, 1986 which requested that we process International Business Communications, (IBC), 1912 Sunderland Place, NW, Washington, DC 20036, for a SECRET facility clearance.

By a copy of our letter of February 18, 1986, to the facility, you were advised that action was initiated in accordance with your request. During the initial telephone survey, we were advised that IBC was a sole proprietorship and that Mr. Richard R. Miller held all officer positions.

On the 20th of February we were advised telephonically that IBC was a partnership and that the partners were not individuals, but were facilities; namely, Miller Communications, Inc., and Gomez International, Inc., both at the same address as IBC. In an effort to comply with your request, surveys were conducted at the two partnership facilities. Both entities were advised of documentation that must be provided before the individual facility partnerships can be processed for a clearance, and each entity was given a deadline for submission of such documentation. Neither entity has responded.

Therefore, we have this date discontinued the processing of all concerned facilities. If you have any questions please contact Esther Bradsher at 202-325-9395.

Sincerely,

LEO J. BEAUMONT
Chief, Facilities Division

Copy to: International
Business
Communications

Miller
Communications,
Inc.

Gomez
International,
Inc.

S15DC

DEFENSE INVESTIGATIVE SERVICE
CAPITAL REGION
HOFFMAN BLDG. 1 RM 748
2461 EISENHOWER AVE
ALEXANDRIA, VA 22331-1000

13c

Reply to
Attn of: S1511 (Mr. Beaumont(202)325-9395/rms)

May 6, 1986

U.S. Department of State
Attn: Kenneth E. Lopez, Chief
Procedural Security Division
Washington, DC 20520

'86 MAY 14 P2:32

Dear Mr. Lopez:

Reference is made to your letter dated April 17, 1986, in which you requested that International Business Communications (IBC), 1912 Sunderland Place, N.W., Washington, D.C. 20036 be processed for a SECRET facility clearance.

This office has made repeated attempts to contact Mr. Frank Gomez, all to no avail. This office has therefore discontinued processing IBC for a facility clearance.

Sincerely,

Leo J. Beaumont
LEO J. BEAUMONT
Chief, Facilities Division

DEFENSE INVESTIGATIVE SERVICE
CAPITAL REGION
HOFFMAN BLDG. I, RM 748
2461 EISENHOWER AVE.
ALEXANDRIA, VA 22331-1000

RECEIVED
1986 JUN -9 AM 12:00

Reply to
Attn of: S1511 (Ms. Bradsher(202)325-1352/rms)

June 3, 1986

Mr. Kenneth E. Lopez, Chief
Procedural Security Division
Overseas Security Program
U.S. Department of State
Washington, DC 20520

Dear Mr. Lopez:

Reference is made to your letter of May 14, 1986, which is your third request that we process International Business Communications (IBC), 1912 Sunderland Place, N.W., Washington, D.C. 20036 for a SECRET facility clearance. International Business Communications has been identified to us as being a partnership composed of Miller Communications, Inc. and Gomez International, Inc. both collocated with IBC.

This office, as well as our Washington Field Office, has expended considerable time and effort to comply with your request. We have made repeated and explicit requests that the partnership furnish the information required to place IBC in process for a clearance. As of 9:00AM on June 2, 1986 we were advised that IBC is not an officially organized partnership; there is no partnership agreement in existence. We have therefore again discontinued processing IBC for a facility clearance.

Sincerely,

Catherine L Bradsher
for LEO J. BEAUMONT
Chief, Facilities Division

Copy to: S15DC
IBC

DEPARTMENT OF STATE
'86 JUN 10 P4:07

United States Department of State

Washington, D.C. 20520

June 12, 1986

TO : OPR/STP/P - Robert B. Dickson

FROM : OPR/STP/P/CT - Barbara A. Garland

SUBJECT: Services of International Business Communications Inc. (IBC)

The attached draft memorandum is prepared for submission to the Office of the Coordinator for Public Diplomacy for Latin America and the Caribbean to rectify an existing situation.

A justification for award of a classified contract on grounds of national security was approved by the Acting Competition Advocate and a letter contract was reviewed and approved by Mr. Globe. Both actions took place some time ago. (A letter contract was prepared pending completion of an audit by the Department's Office of the Inspector General.) The requirements office acknowledged ordering the performance of the services without a contract in place and a draft ratification was prepared for the signature of the Procurement Executive to cover the period for which the services have already been performed.

The problem has been the receipt of the security clearance. Three times DISCO has attempted to obtain cooperation from IBC in order to process the clearance and three times the process has been discontinued because of IBC's lack of response.

As a contract has not been awarded, it would seem inappropriate for the Contracts Branch to issue a "Stop Work Order". However, I feel that the requirements office should be put on notice that IBC is to perform no further services nor incur further costs until the situation is resolved.

I think we need to discuss this matter immediately.

6/17/86

TO : S/LPD - Mr. Robert Kagan

THROUGH: OPR/STP - Truman E. Brown

FROM : OPR/STP/P - Robert D. Dickson

SUBJECT: Services of International Business Communications, Inc.

Reference is made to requirement (Requisition No. 1001-602066) of the Office of the Coordinator of Public Diplomacy for Latin America and the Caribbean (S/LPD) for the classified services of the firm of International Business Communications, Inc. (IBC).

It is my understanding that IBC has been performing since October 1985 in the absence of a contract. During this period, the Contracts Branch (OPR/STP/P/CT) attempted to secure a Secret Facilities Clearance (Form DD254, Department of Defense Contract Security Classification Specification) and an audit report in order to award a contract to this firm. It appears the audit report will be forthcoming from the Office of the Inspector General (S/IG) the week of June 16, 1986.

With regard to the security clearance, several attempts have been made by representatives of the Defense Investigative Service (DIS) to obtain the the cooperation of the officers of IBC. A further attempt is currently underway. We are requesting that your office take immediate steps to ensure that IBC complies with the requests made by DIS. Otherwise, we will be faced with a situation where services are being performed not only absent a contract but where there is no adequate assurance that the contractor is following security procedures for an effort that is clearly sensitive in nature. Should this effort fail, there is no means to assure that the services are being performed in accordance with S/LPD's requirements and no contractual instrument will exist by which the contractor may be paid for its services.

The Procurement Division cannot award a contract on this basis nor can the services continue to be performed in the absence of a contract.

Drafted:OPR/STP/P/CT:HLBerryhill:6/16/86:
Cleared:OPR/STP/P/CT:BAGarland

3/19

DEFENSE INVESTIGATIVE SERVICE
CAPITAL REGION
HOFFMAN BLDG. I, RM. 760
2461 EISENHOWER AVE.
ALEXANDRIA, VA 22331-1000

Reply to
Attn of: S1511(Ms. Bradsher/(202)325-9395/tnk) July 30, 1986

SUBJECT: International Business Communications, 1912 Sunderland Place, NW, Washington, DC 20036

TO: United States Department of State
Attn: Kenneth E. Lopes, Chief
Procedural Security Division
Overseas Security Programs
Washington, DC 20520

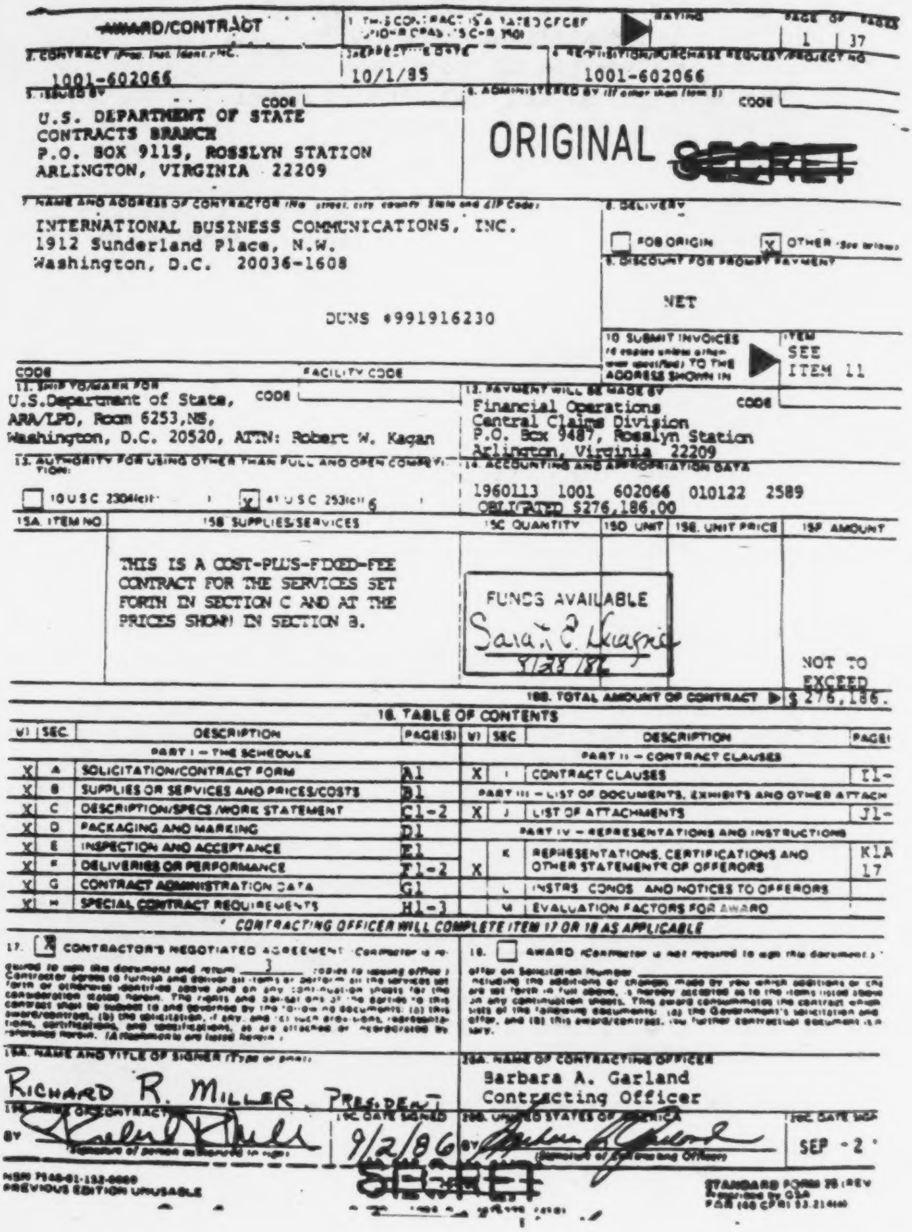
1. In your letter, dated July 10, 1986, subject as above, you requested this office to process International Business Communications, 1912 Sunderland Place, NW, Washington, DC 20036, for a Department of Defense security clearance. The facility's Federal Supply Code is 1GD92.

2. The facility was granted a INTERIM SECRET, LIMITATIONS PAR 20 c, ISM APPLY, security clearance on July 30, 1986, but does not have the capability to safeguard classified material. Please refer to paragraph 7-102, DoD 5220.22-R, if a classified contract or purchase order is awarded.

Bettie R Bradsher
LEO J. BEAUMONT
for Chief, Facilities Division

Copy to: S15DC

'86 AUG 12 P3:01



AWARD/CONTRACT

1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350) | RATING | PAGE 1 OF 37 PAGES

2. CONTRACT (Proc. Inst. Ident.) NO.: 1001-602066
3. EFFECTIVE DATE: 10/1/85
4. REQUISITION/PURCHASE REQUEST/PROJECT NO.: 1001-602066

5. ISSUED BY CODE

U.S. DEPARTMENT OF STATE
CONTRACTS BRANCH
P.O. BOX 9115, ROSSLYN STATION
ARLINGTON, VIRGINIA 22209

6. ADMINISTERED BY (If other than Item 5) CODE

ORIGINAL ~~SECRET~~

7. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, State and ZIP Code)

INTERNATIONAL BUSINESS COMMUNICATIONS, INC.
1912 Sunderland Place, N.W.
Washington, D.C. 20036-1608

DUNS #991916230

CODE | FACILITY CODE

8. DELIVERY
☐ FOB ORIGIN ☒ OTHER (See below)

9. DISCOUNT FOR PROMPT PAYMENT
NET

10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN ITEM: SEE ITEM 11

11. SHIP TO/MARK FOR CODE
U.S.Department of State,
ARA/LPD, Room 6253,NS,
Washington, D.C. 20520, ATTN: Robert W. Kagan

12. PAYMENT WILL BE MADE BY CODE
Financial Operations
Central Claims Division
P.O. Box 9487, Rosslyn Station
Arlington, Virginia 22209

13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION:
☐ 10 U.S.C. 2304(c)( ) ☒ 41 U.S.C. 253(c)(6)

14. ACCOUNTING AND APPROPRIATION DATA
1960113 1001 602066 010122 2589
OBLIGATED $276,186.00

15A. ITEM NO.	15B. SUPPLIES/SERVICES	15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT
	THIS IS A COST-PLUS-FIXED-FEE CONTRACT FOR THE SERVICES SET FORTH IN SECTION C AND AT THE PRICES SHOWN IN SECTION B.	FUNDS AVAILABLE 8/28/86			NOT TO EXCEED

15G. TOTAL AMOUNT OF CONTRACT ▶ $276,186.

16. TABLE OF CONTENTS

(✓)	SEC.	DESCRIPTION	PAGE(S)	(✓)	SEC.	DESCRIPTION	PAGE(S)
		PART I – THE SCHEDULE				PART II – CONTRACT CLAUSES	
X	A	SOLICITATION/CONTRACT FORM	A1	X	I	CONTRACT CLAUSES	I1-
X	B	SUPPLIES OR SERVICES AND PRICES/COSTS	B1			PART III – LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH	
X	C	DESCRIPTION/SPECS./WORK STATEMENT	C1-2	X	J	LIST OF ATTACHMENTS	J1-
X	D	PACKAGING AND MARKING	D1			PART IV – REPRESENTATIONS AND INSTRUCTIONS	
X	E	INSPECTION AND ACCEPTANCE	E1	X	K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS	K1A 17
X	F	DELIVERIES OR PERFORMANCE	F1-2				
X	G	CONTRACT ADMINISTRATION DATA	G1		L	INSTRS., CONDS., AND NOTICES TO OFFERORS	
X	H	SPECIAL CONTRACT REQUIREMENTS	H1-3		M	EVALUATION FACTORS FOR AWARD	

CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

17. ☒ CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 3 copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)

18. ☐ AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number ______ including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.

19A. NAME AND TITLE OF SIGNER (Type or print)
RICHARD R. MILLER, PRESIDENT

19B. NAME OF CONTRACTOR
BY (Signature of person authorized to sign)

19C. DATE SIGNED
9/2/86

20A. NAME OF CONTRACTING OFFICER
Barbara A. Garland
Contracting Officer

20B. UNITED STATES OF AMERICA
BY (Signature of Contracting Officer)

20C. DATE SIGNED
SEP -2

~~SECRET~~

NSN 7540-01-152-8069
PREVIOUS EDITION UNUSABLE

STANDARD FORM 26 (REV
Prescribed by GSA
FAR (48 CFR) 53.214(a)

INTERNATIONAL BUSINESS COMMUNICATIONS
1912 SUNDERLAND PLACE, N.W.
WASHINGTON, D.C. 20036 - 1608
TELEPHONE (202) 387-3002 TELEX 3718712 IBCUSA

Contract # 1001-602066
Invoice # DOS1-85A
September 16, 1986

To:

Robert W. Kagan
Office of Public Diplomacy for
Latin America and the Caribbean
Department of State
Room 6253
Washington, DC 20520

For services rendered, October 1, 1985 through August 31, 1986, in connection with Contract Number 1001-602066, including design and organization of a distribution system; direction of such system; creation of a segmented mailing list, including coding; distribution and storage of documents; and related services under the terms of this contract as requested by ARA/LPD.

Total due	$216,381.16

Check should be made payable to International Business Communications, and mailed to Richard R. Miller, President, at the above address.

(Costs by month are attached.)

Richard R Miller

5/10

United States Department of State

Washington, D.C. 20520

October 3, 1986

MEMORANDUM

To: M/COMP/GS - Ms. Anita Brown

From: ARA - Robert Kagan

Subject: Payment to International Business Communications Contract No. 1001-602066

This is to certify that International Business Communications has completed the first eleven months of their contract in the amount of $216,381.16. This is the first payment under the above cited contract. A check can be sent to the following address:

International Business Communications
1912 Sunderland Place N.W.
Washington, D.C. 20036

Thank you for your assistance in this matter.

Enclosure: (1) International Business Communications Invoice of 9/16/86

INTERNATIONAL BUSINESS COMMUNICATIONS
[illegible] SUNDERLAND PLACE, N.W.
WASHINGTON, D.C. [illegible]
TELEPHONE [illegible]
TELEX [illegible]

Contract # 1001-602066
Invoice # DOS1-85A
October 31, 1986

To:

Robert W. Kagan
Office of Public Diplomacy for
Latin America and the Caribbean
Department of State
Room 6253
Washington, DC 20520

For services rendered, September 1 through September 30, 1986, in connection with Contract Number 1001-602066, including organization of established distribution system; direction of such system; modification and update of the segmented mailing list, including coding; distribution and storage of documents; and related services under the terms of this contract as requested by ARA/LPD.

Total due	$25,670.00

Check should be made payable to International Business Communications, and mailed to Richard R. Miller, President, at the above address.

(See attachment)

Richard R. Miller

5
/10a

United States Department of State
Washington, D.C. 20520

November 12, 1986

MEMORANDUM

TO: M/COMP/GS - Anita Brown

FROM: ARA - Robert W. Kagan

SUBJECT: Payment to International Business Communications
Contract No. 1001-602066

This is to certify that International Business Communications has completed the last segment of their contract, covering the month of September 1986, in the amount of $25,670.00. This is the second payment under the above cited contract. A check can be sent to the following address:

International Business Communications
1912 Sunderland Place, N. W.
Washington, DC 20036

Thank you for your assistance in this matter.

Enclosure:
International Business Communications Invoice of 10/31/86

3
19a

DEFENSE INVESTIGATIVE SERVICE
CAPITAL REGION
HOFFMAN BLDG. I, RM. 748
2461 EISENHOWER AVE.
ALEXANDRIA, VA 22331-1000

Reply to
Attn of: S1511(Ms. Bradsher/(202)325-1352/lde)

November 17, 1986

United States Department of State
Attn: Kenneth E. Lopez, Chief
Procedural Security Division
Overseas Security Programs
Washington, D.C. 20520

Dear Mr. Lopez:

Reference is made to our letter, dated July 30, 1986, wherein we advised that International Business Communications, 1912 Sunderland Place, N.W., Wahington, D.C. 20036 had been granted an Interim SECRET clearance. The facility's Federal Supply Code (FSC) is 1GC92.

The facility was granted a SECRET security clearance on November 17, 1986, but does not have the capability to safeguard classified material. In accordance with paragraph 73 of the Industrial Security Manual for Safeguarding Classified Information, classification guidance must be provided to this facility, when appropriate, with a copy to this office.

Sincerely,

Bethea P. Bradsher
for LEO J. BEAUMONT
Chief, Facilities Division

Copy to: S15DC

'86 DEC -2 A10:42
IRAN
AND

EXHIBIT OLN-224

(DELETED)

EXHIBIT 224

EXHIBIT OLN-225

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

[illegible]

August 15, 1985

Dear Spitz:

Throughout the struggle for freedom and democracy in Nicaragua, there are those who have carried this great burden with dedication and a true sense of patriotism. You and the people involved in the National Endowment for the Preservation of Liberty are at the center of the struggle.

In the Spring when we began our campaign to help the Nicaraguan resistance in a crucial struggle for democracy in their native land, your resources helped carry the day. Without your fine efforts, their situation would have gone from desperate to hopeless. Yours was a key organization in supporting President Reagan's legislative initiative for Congressional aid to the Nicaraguan freedom fighters. Your paid advertising and support of the President's program was critical to our success.

In July when you began to help educate others to the needs of the Nicaraguan freedom fighters, their chances were greatly increased. The special events you hosted and the generous support your people gave carried the day and helped to save freedom from extinction in Nicaragua. Your continuing efforts have two very special values. The level of support you have brought to the struggle has been nothing short of monumental. The steadfastness and commitment you have maintained is the true sign of patriotism. When freedom and democracy are at stake, those who sacrifice without public acclaim it to the world are our truest patriots.

The programs you have undertaken are crucial. Without the means you provide, those who seek a democratic outcome in Nicaragua will fail. As always, in the hour of critical need, we find you and the National Endowment for the Preservation of Liberty ready to help.

For your past efforts and your present initiatives, we salute you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Mr. Carl Russell Channel
National Endowment for the
Preservation of Liberty
305 4th Street, N.E.
Washington, D.C. 20002

EXHIBIT
OLN-225

EXHIBIT OLN-226

THE WHITE HOUSE
WASHINGTON

January 21, 1986

N 13669

MEMORANDUM FOR FREDERICK J. RYAN, JR.
DEPUTY ASSISTANT TO THE PRESIDENT
DIRECTOR, PRESIDENTIAL SCHEDULING

FROM: FRED F. FIELDING FFF/RDS
COUNSEL TO THE PRESIDENT

SUBJECT: Aid to Contras Meeting

I have reviewed the proposal for a briefing for the American Conservative Trust and the National Endowment for the Preservation of Liberty on Central American issues. There is no legal prohibition that would preclude such a briefing. Objections may be raised that the President is violating the spirit of the anti-lobbying provisions by enlisting these private groups to lobby Congress. Care should accordingly be taken to avoid any suggestion of White House control of these groups, to minimize these objections.

HCD
Jan 24 File

EXHIBIT
OLN-226

EXHIBIT OLN-227

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 24, 1986

Dear Bill:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

Last year was a challenging time for America and her President. But, we are headed in the right direction. Today, in all of Central America only Nicaragua is not a democracy. You can be proud that you have made a crucial contribution in helping our President in this vital endeavor. In the weeks ahead, we will commence a renewed effort to make our assistance to the Democratic Resistance Forces even more effective. Once again your support will be essential.

All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Mr. William B. Blakemore
200 West Illinois, Suite 200
Midland, TX 79701

EXHIBIT
OLN-227

NATIONAL SECURITY COUNCIL
WASHINGTON D C 20506

January 24, 1986

Dear Inman and Ruth:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Mr. and Mrs. Inman Brandon
3488 Knollwood Drive, N.W.
Atlanta, GA 30305

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 24, 1986

Dear Bill:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Mr. Bill Bush
P.O. Box 147
Brandon, MS 39042

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. [illegible]

January 24, 1986

Dear Barbara:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North

Oliver L. North
Deputy Director
Political-Military Affairs

Mrs. Barbara Bullitt Christian
Frogs Jump Skylight
3601 Axton Lane
Prospect, KY 40059

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 24, 1986

Dear Mr. Clagett:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Mr. C. Thomas Clagett, Jr.
2700 Virginia Avenue, N.W.
Washington, D.C. 20037

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 24, 1986

Dear Frank:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Mr. Frank Darlington
24 Winding Avenue
Leetsdale, PA 15056

2663

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 24, 1986

Dear Mr. Ferguson:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Mr. Robert Bruce Ferguson
840 Newport Center Drive
Suite 600
Newport Beach, CA 92660

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 24, 1986

Dear Ellen:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North

Oliver L. North
Deputy Director
Political-Military Affairs

Mrs. St. John Garwood
1802 San Gabriel Street
Austin, TX 78701

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 24, 1986

Dear Mrs. Haley:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Mrs. Rosalind K. Haley
Haley Library
5424 16th Street
Lubbock, TX 79416

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 24, 1986

Dear Mr. Hillman:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Mr. Tatnall Lea Hillman
422 Belrose Lane
Randor, PA 19087

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 24, 1986

Dear Bunker:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Mr. Nelson Bunker Hunt
2400 Thanksgiving Tower
1601 Elm Street
Dallas, TX 75201

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 24, 1986

Dear Mr. Lee:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Mr. James Arthur Lee
3635 Ella Lee Lane
Houston, TX 77027

NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

January 24, 1986

Dear Mrs. Lynch:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North

Oliver L. North
Deputy Director
Political-Military Affairs

Mrs. Martha Lynch
4924 Briarwood Place
Dallas, TX 75209

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 24, 1986

Dear Mrs. McKinley:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Mrs. Evelyn McKinley
Sanko Route
Robert Lee, TX 76945

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 24, 1986

Dear Mr. Mosbacher:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Mr. Robert A. Mosbacher, Jr.
6421 Vanderbilt
Houston, TX 77005

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 24, 1986

Dear Mrs. Nelson:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Mrs. Page Nelson
3318 Southwestern Boulevard
Dallas, TX 75225

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 24, 1986

Dear Barbara:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Mrs. Barbara Newington
P.O. Box 1098
Greenwich, CT 06836

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 24, 1986

Dear Mrs. O'Brien:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Mrs. Mary O'Brien
Rt. 3, Warner Bridge Road
Wilmington, IL 60481

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 24, 1986

Dear Mr. O'Neil:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Mr. William J. O'Neil
11915 La Grange Avenue
Los Angeles, CA 90025

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 24, 1986

Dear Ms. Parker:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Ms. Diane William Parker
P.O. Box 1011
Thomasville, GA 31799

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 24, 1986

Dear General Patton:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Major General George S. Patton (USA/Ret.)
650 Ashbury Street
South Hamilton, MA 01982

NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

January 24, 1986

Dear Nolan and Mary Jo:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Mr. and Mrs. Nolan Pentecost
Sanko Route
Robert Lee, TX 76945

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 24, 1986

Dear Mrs. Pierce:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Mrs. Julius E. Pierce
6040 Moss Ranch Road
Miami, FL 33156

NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

January 24, 1986

Dear John and Nancy:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Mr. and Mrs. John Ramsey, Jr.
3510 Cranbrook
Witchita Falls, TX 76308

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 24, 1986

Dear Fred:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

Last year was a challenging time for America and her President. But, we are headed in the right direction. Today, in all of Central America only Nicaragua is not a democracy. You can be proud that you have made a crucial contribution in helping our President in this vital endeavor. In the weeks ahead, we will commence a renewed effort to make our assistance to the Democratic Resistance Forces even more effective. Once again your support will be essential.

All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Mr. Fred R. Sacher
31632 Paseo Don Jose
San Juan Capistrano, CA 92675

NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

January 24, 1986

Dear Mr. Salwasser:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Mr. Melvin Salwasser
Salwasser Manufacturing Company, Inc.
P.O. Box 548
Reedley, CA 93654

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 24, 1986

Dear Harry and Anne:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Mr. and Mrs. Harry Seggerman
5060 Congress Street
Fairfield, CT 06430

NATIONAL SECURITY COUNCIL
WASHINGTON DC 20506

January 24, 1986

Dear David and Paula:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Mr. and Mrs. David Warm
Route 1, Maple Hill Farm
Northport, MI 49670

NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

January 24, 1986

Dear Mr. Witts:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Mr. David A. Witts
5353 First International Building
Dallas, TX 75250

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. [illegible]

January 24, 1986

Dear Mrs. Woodruff:

During 1985, the hope freedom and democracy in Nicaragua was kept alive with the help of the National Endowment for the Preservation of Liberty and fine Americans such as you. Because you cared, the spark of liberty still glows in the darkness of Nicaragua.

Without patriots like you, carrying out the President's policy of support for a democratic outcome in Nicaragua would have been even more difficult. Your efforts and those of the National Endowment for the Preservation of Liberty continue to play a crucial role in the democratic drama unfolding in Nicaragua. Your support has been essential to those who struggle against the tyranny and oppression of the totalitarian communist regime in Managua. You have given hope where there would otherwise be despair.

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All my best for the New Year and God bless you.

Sincerely,

Oliver L. North
Deputy Director
Political-Military Affairs

Mrs. Emily Woodruff
1941 Stark Avenue
Colombus, GA 31906

EXHIBIT OLN-228

0157

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

ACTION

January 28, 1986

38/7/13

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: OLIVER L. NORTH

Rec'd

SUBJECT: Meeting with American Conservative Trust

V136(a)

Attached at Tab I is a memo from you to Linda Chavez agreeing to accompany the President when he "drops by" a meeting of American Conservative Trust (ACT) leadership on Thursday, January 30, 1986 at 3:00 p.m. in the Roosevelt Room. Your memo responds to Ms. Chavez' memo at Tab II.

The meeting opens at 2:30 p.m. with introductory remarks by Linda Chavez and Don Regan, followed a brief on Central America by North (2:15-3:15 p.m.), and a "drop by" by the President approximately 3:00 p.m. Pat Buchanan and Elliott Abrahms are also scheduled to participate. In [illegible] this "drop by" with the President, it is recognized that you have a conflict with a previously scheduled C[illegible] meeting. We did not have a final notification of the President' involvement until last evening.

The memo at Tab II notes that the ACT has been a significant supporter of the President and his policies, especially Central America. They were very instrumental last year in helping us win the vote for aid to the Nicaraguan DRF through their television programs and advertisements. For example, ACT funded and produced the 13 minute documentary videotape on the DRF which you viewed after an ODSM last month. This video "documentary" has been shown on more than 500 T.V. stations since you previewed it.

The meeting is an opportunity to express Administration support for the efforts of ACT as we gear up for a Congressional vote during March. Your memo indicates that you will accompany the President to the meeting. Talking points for your brief remarks (3 minutes) are attached at Tab III.

RECOMMENDATIONS

1. That you initial and forward the memo at Tab I.

Approve _____ Disapprove ✓ [illegible]

2. That you use the talking points at Tab III during your "drop by" with the President.

Approve _____ Disapprove _____

Attachments
Tab I - Poindexter Memo to Chavez
Tab II - Chavez Memo to Poindexter of January 15, 1986
Tab III - Poindexter Talking Points

cc: Ray Burghardt

EXHIBIT
OLN-228

EXHIBIT OLN-229

SENTINEL
Advancing the Conservative Agenda

CONTACTS: Jeff Keffer
Jackie Clemons
202/659-6550

June 16, 1986

MEDIA FACT SHEET

Washington, D.C. — Today at a news conference at the National Press Building, Sentinel, a Washington headquartered lobbying organization, announced an advertising campaign to support President Reagan's request for aid to Nicaragua's freedom fighters. Making the announcement, Carl Russell "Spitz" Channell, President of Sentinel, said "We are targeting those Congressmen who have not supported the President in the past or have not made up their minds on this vital issue." With Sentinel's campaign beginning Tuesday, June 17 in eleven congressional districts the lobby expects to awaken the voting public to the votes their representatives are casting on this issue.

The eleven Congressmen targeted by the new advertising campaign are:

Rep. Michael D. Barnes (D) Maryland 8th C.D.
Rep. Romano L. Mazzoli (D) Kentucky 3rd C.D.
Rep. Charles O. Whitley (D) North Carolina 3rd C.D.
Rep. W.G. (Bill) Hefner (D) North Carolina 8th C.D.
Rep. Jim Cooper (D) Tennessee 4th C.D.
Rep. Bill Boner (D) Tennessee 5th C.D.
Rep. Bart Gordon (D) Tennessee 6th C.D.
Rep. Ed Jones (D) Tennessee 8th C.D.
Rep. J.J. (Jake) Pickle (D) Texas 10th C.D.
Rep. Albert G. Bustamante (D) Texas 23rd C.D.
Rep. Kika de la Garza (D) Texas 15th C.D.

EXHIBIT
OLN-229

The advertisements will be placed in prime time and late evening viewing segments for maximum saturation of the media markets corresponding to the congressional districts. Sentinel expects to spend $200,000 in eight days.

SENTINEL
Advancing the Conservative Agenda

CONTACT: Dan Conrad
Cliff Smith
202/547-1985

NEWS RELEASE

Washington, D.C., June 25 -- Eleven Congressmen created the margin of victory for President Reagan in yesterday's vote on aid to the Nicaraguan Freedom Fighters. Six of these Representatives came under intensive lobbying efforts sponsored by Sentinel, a Washington based lobbying organization. Dan Conrad, Sentinel's Executive Director, said, "We undertook a broad-based program of personal contact, television messages and grass roots constituent education." The efforts by Sentinel began more than one year ago to help President Reagan change the climate on Capitol Hill from weak support for humanitarian assistance to a strong message of military and humanitarian aid to the United Nicaraguan Opposition.

Sentinel teamed up with the National Endowment for the Preservation of Liberty, a Washington non-partisan foundation, that sponsored a 3.5 million dollar public education campaign throughout the Southeastern United States. Spitz Channell, President of NEPL, announced the program on February 27, 1986 at a news conference at the National Press Club in Washington.

This new approach to addressing vital foreign policy issues is likely to become the way of the future for national security debates in Washington. "When we address issues vital to the President we intend to bring to bear a whole array of communications and political techniques," said Conrad. When the two

--more--

organizations focus on President Reagan's Strategic Defense Initiative in mid July they intend to repeat the efforts made to pass the President's Nicaraguan aid package. Using television education, prominent speakers, political action programs at the grass roots level and lobbying on Capital Hill, the two organizations expect to focus public attention on Congressmen who have opposed the President.

####

the robert goodman agency inc.
2201 OLD-COURT ROAD, BALTIMORE, MARYLAND, 21208 (301) 296-5330

N.E.P.L. "Freedom Fighters" TV
National Spot Placement
Television Analysis

the robert goodman agency, inc.

N.E.P.L. "Freedom Fighters" TV

National Spot Placement

Television Analysis

Market Overview

Market	# of Spots	HH GRPs	Total Cost
MIAMI/WEST PALM BEACH	29	186	$ 18,070.
ORLANDO/DAYTONA BEACH	62	568	$ 27,250.
TAMPA/ST. PETERSBURG	42	289	$ 8,920.
JACKSONVILLE	66	500	$ 13,000.
SAN ANTONIO	29	430	$ 18,430.
AUSTIN	73	605	$ 16,950.
McALLEN/BROWNSVILLE	30	500	$ 4,450.
CORPUS CHRISTI	40	571	$ 4,905.
NASHVILLE	35	641	$ 21,315.
MEMPHIS	48	389	$ 10,530.
CHATTANOOGA	58	465	$ 8,910.
RALEIGH/DURHAM	47	471	$ 21,100.
GREENVILLE/NEW BERN	40	502	$ 4,200.
GREENVILLE/SPART./ASHEVILLE	30	410	$ 15,000.
COLUMBIA	35	277	$ 6,290.
MACON	26	458	$ 6,415.
SAVANNAH	67	532	$ 5,465.
ALBANY	24	493	$ 2,820.
JACKSON, MS	56	715	$ 9,380.
COLUMBUS/TUPELO	62	374	$ 4,640.

the robert goodman agency, inc.

N.E.P.L. "Freedom Fighters" TV
National Spot Placement
Television Analysis
Market Overview

Page Two

Market	# of Spots	HH GRPs	Total Cost
OKLAHOMA CITY	16	200	$ 6,675.
TULSA	62	611	$ 16,290.
LOUISVILLE	40	403	$ 11,520.
NATIONAL MARKET TOTALS:	1017	10,590	$262,525.
WASHINGTON, D.C. TOTALS:	101	867	$ 99,225.
NATIONAL PROGRAM TOTALS:	1118	11,457	$361,750.

the robert goodman agency, inc.

N.E.P.L. "Freedom Fighters" TV
National Spot Placement
Television Analysis

MIAMI/WEST PALM BEACH

Fascell (D-19th CD)	Yes
Pepper (D-18th CD)	Yes
Larry Smith (D-16th CD)	Yes
Shaw (R-15th CD)	Yes
LEHMAN (D-17th CD)	NO
Mica (D-14th CD)	Yes

29 Spots	186 HH GRPs	$ 18,070.

ORLANDO/DAYTONA BEACH

MACKAY (D-6th CD)	NO
Chappell (D-4th CD)	Yes
McCollum (R-5th)	Yes
Nelson (D-11th CD)	Yes
Ireland (R-10th CD)	Yes

62 Spots	568 HH GRPs	$ 27,250.

TAMPA/ST. PETERSBURG

MACKAY (D-6th CD)	NO
Gibbons (D-7th CD)	Yes
Young (D-8th CD)	Yes
Bilirakis (R-9th CD)	Yes
Ireland (R-10th CD)	Yes

42 Spots	289 HH GRPs	$ 3,920.

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N.E.P.L. "Freedom Fighters" TV
National Spot Placement
Television Analysis

Page Two

JACKSONVILLE

Bennett (D-3rd CD)	Yes
MACKAY (D-6th CD)	NO
Fuqua (D-2nd CD)	Yes
Chappell (D-4th CD)	Yes
Thomas (D-1st CD GA.)	Yes
Rowland (D-8th CD GA)	Yes

66 Spots	500 HH GRPs	$ 13,000.

SAN ANTONIO

DE LA GARZA (D-15th CD)	NO
BUSTAMANTE (D-23rd CD)	NO
PICKLE (D-10th CD)	NO
GONZALEZ (D-20th CD)	NO
Loeffler (R-21st CD)	Yes
Sweeney (R-14th CD)	Yes

29 Spots	430 HH GRPs	$ 18,430.

AUSTIN

PICKLE (D-10th CD)	NO
Leath (D-11th)	Yes
Sweeney (R-14th CD)	Yes
Loeffler (R-21st CD)	Yes

73 Spots	605 HH GRPs	$ 16,950.

McALLEN/BROWNSVILLE

DE LA GARZA (D-15th CD)	NO
Ortiz (D-27th)	Yes

N.E.P.L. "Freedom Fighters" TV
National Spot Placement
Television Analysis

Page Four

CHATTANOOGA

DUNCAN (D-2nd CD)	NO
LLOYD (D-3rd CD)	NO
COOPER (D-4th CD)	NO
Flippo (D-5th AL)	Yes
Darden (D-7th GA)	Yes
Jenkins (D-9th GA)	Yes

58 Spots	465 HH GRPs	$ 8,910.

RALEIGH/DURHAM

WHITNEY (D-3rd CD)	NO
HEFNER (D-8th CD)	NO
VALENTINE (D-2nd CD)	NO
Cobey (R-4th CD)	Yes
Coble (R-6th CD)	Yes
ROSE (D-7th CD)	NO

47 Spots	471 HH GRPs	$ 21,100.

GREENVILLE/NEW BERN

JONES (D-1st CD)	NO
VALENTINE (D-2nd CD)	NO
WHITLEY (D-3rd CD)	NO

40 Spots	502 HH GRPs	$ 4,200.

GREENVILLE/SPARTANBURG/ASHEVILLE

DERRICK (D-3rd CD)	NO
SPRATT (D-5th CD)	NO
Campbell (R-4th CD)	Yes

N.E.P.L. "Freedom Fighters" TV
ational Spot Placement
Television Analysis

GREENVILLE/SPARTANBURG/ASHEVILLE (Continued)

Hendon (R-11th CD NC)	Yes	
Jenkins (D-9th CD GA)	Yes	
Barnard (D-10th CD GA)	Yes	
30 Spots	410 HH GRPs	$ 15,000.

COLUMBIA

SPENCE (D-2nd CD)	NO	
DERRICK (D-3rd CD)	NO	
Tallon (D-6th CD)	Yes	
35 Spots	277 HH GRPs	$ 6,290.

MACON

RAY (D-3rd CD)	NO	
Rowland (D-8th CD)	Yes	
26 Spots	458 HH GRPs	$ 6,415.

SAVANNAH

Thomas (D-1st CD)	Yes	
Hartnett (R-1st CD SC)	Yes	
67 Spots	532 HH GRPs	$ 5,465.

ALBANY

Hatcher (D-2nd CD)	Yes	
RAY (D-3rd CD)	NO	
24 Spots	493 HH GRPs	$ 2,820.

the robert goodman agency, inc.

N.E.P.L. "Freedom Fighters" TV
National Spot Placement
Television Analysis

Page Six

JACKSON, MS

Franklin (R-2nd CD)	Yes
Montgomery (D-3rd CD)	Yes
Dowdy (D-4th CD)	Yes

56 Spots	715 HH GRPs	$ 9,380.

COLUMBUS/TUPELO

WHITTEN (D-1st CD)	NO
Franklin (R-2nd CD)	Yes
Montgomery (D-3rd CD)	Yes

62 Spots	374 HH GRPs	$ 4,640.

OKLAHOMA CITY

Watkins (D-3rd CD)	Yes
McCURDY (D-4th CD)	NO
Edwards (R-5th CD)	Yes
English (D-6th CD)	Yes
SYNAR (D-2nd CD)	NO

16 Spots	200 HH GRPs	$ 6,675.

TULSA

Jones (D-1st CD)	Yes
Watkins (D-3rd CD)	Yes
SYNAR (D-2nd CD)	NO
Edwards (R-5th CD)	Yes

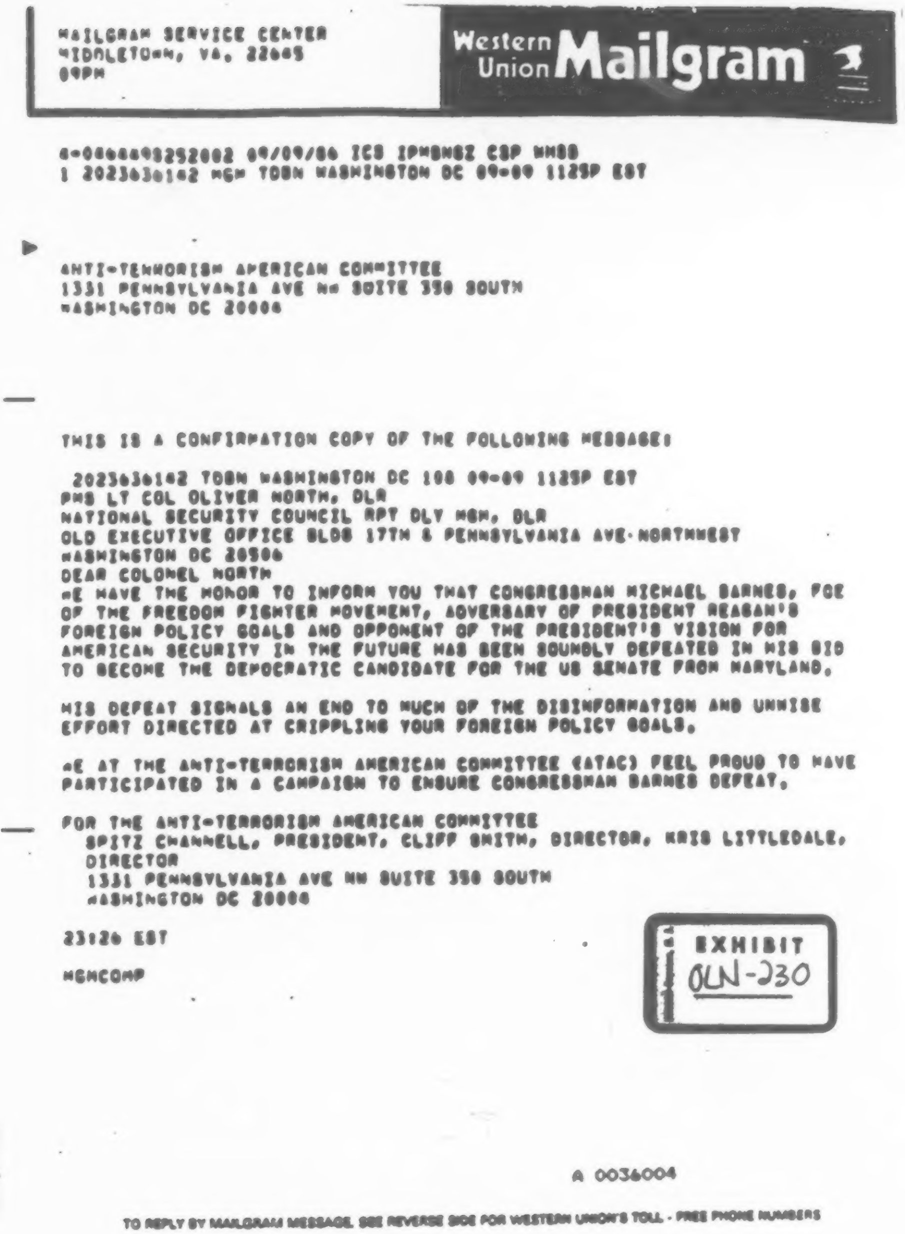
62 Spots	611 HH GRPs	$ 16,290.

LOUISVILLE

MAZZOLI (D-3rd CD)	NO
NATCHER (D-2nd CD)	NO
Snyder (R-4th CD)	Yes
HOPKINS (R-6th CD)	NO
HAMILTON (D-9th CD IND)	NO

40 Spots	403 HH GRPs	$ 11,520.

EXHIBIT OLN-230



MAILGRAM SERVICE CENTER
MIDDLETOWN, VA. 22645
09PM

Western Union Mailgram

4-0464498252002 09/09/86 ICS IPMBNGZ CSP WHSB
1 2023636142 MGM TDBN WASHINGTON DC 09-09 1125P EST

ANTI-TERRORISM AMERICAN COMMITTEE
1331 PENNSYLVANIA AVE NW SUITE 350 SOUTH
WASHINGTON DC 20004

THIS IS A CONFIRMATION COPY OF THE FOLLOWING MESSAGE:

2023636142 TDBN WASHINGTON DC 100 09-09 1125P EST
PMS LT COL OLIVER NORTH, DLR
NATIONAL SECURITY COUNCIL RPT DLY MGM, DLR
OLD EXECUTIVE OFFICE BLDG 17TH & PENNSYLVANIA AVE NORTHWEST
WASHINGTON DC 20506
DEAR COLONEL NORTH

WE HAVE THE HONOR TO INFORM YOU THAT CONGRESSMAN MICHAEL BARNES, FOE OF THE FREEDOM FIGHTER MOVEMENT, ADVERSARY OF PRESIDENT REAGAN'S FOREIGN POLICY GOALS AND OPPONENT OF THE PRESIDENT'S VISION FOR AMERICAN SECURITY IN THE FUTURE HAS BEEN SOUNDLY DEFEATED IN HIS BID TO BECOME THE DEMOCRATIC CANDIDATE FOR THE US SENATE FROM MARYLAND.

HIS DEFEAT SIGNALS AN END TO MUCH OF THE DISINFORMATION AND UNWISE EFFORT DIRECTED AT CRIPPLING YOUR FOREIGN POLICY GOALS.

WE AT THE ANTI-TERRORISM AMERICAN COMMITTEE (ATAC) FEEL PROUD TO HAVE PARTICIPATED IN A CAMPAIGN TO ENSURE CONGRESSMAN BARNES DEFEAT.

FOR THE ANTI-TERRORISM AMERICAN COMMITTEE
SPITZ CHANNELL, PRESIDENT, CLIFF SMITH, DIRECTOR, KRIS LITTLEDALE, DIRECTOR
1331 PENNSYLVANIA AVE NW SUITE 350 SOUTH
WASHINGTON DC 20004

23:26 EST

MGMCOMP

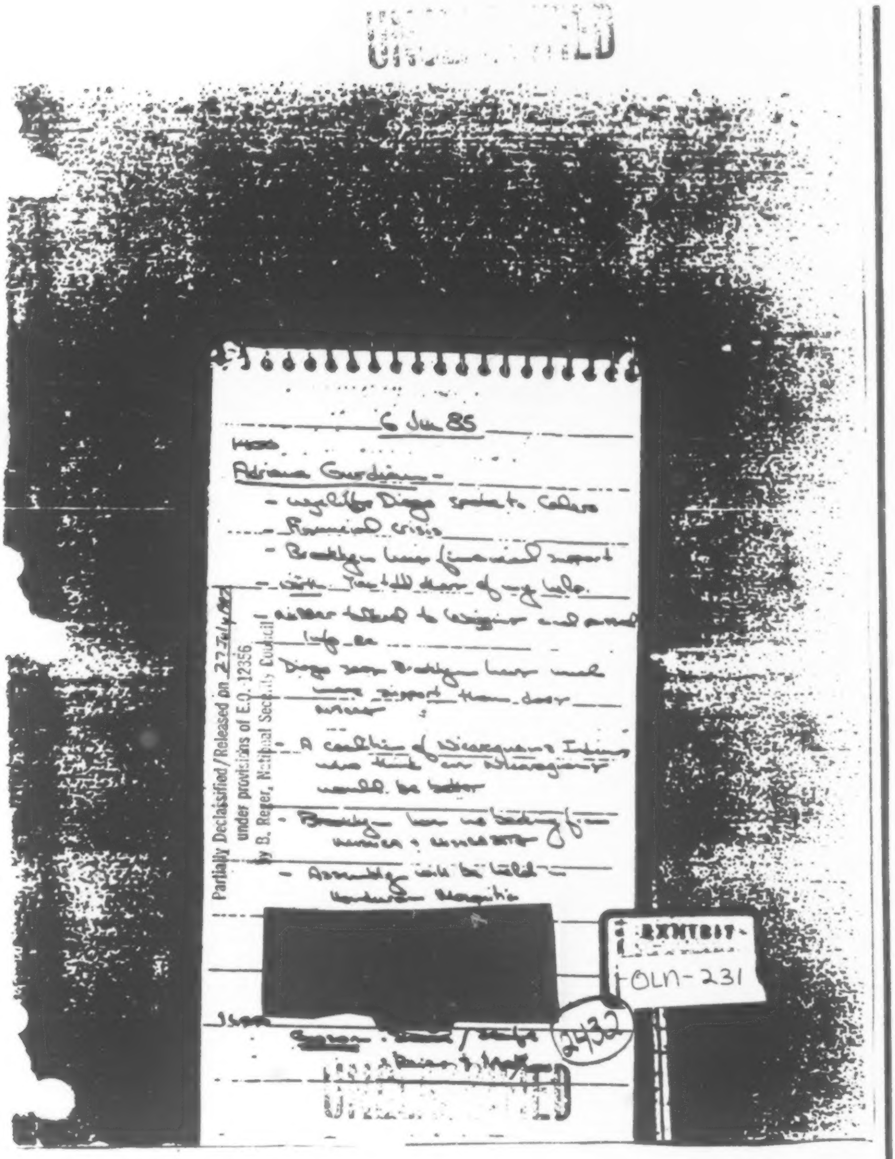
EXHIBIT
OLN-230

5241 (R 7/83)

A 0036004

TO REPLY BY MAILGRAM MESSAGE, SEE REVERSE SIDE FOR WESTERN UNION'S TOLL - FREE PHONE NUMBERS

EXHIBIT OLN-231



UNCLASSIFIED

6 Jun 85

1400

Adriana Guardian -

- w/ wife Diego spoke to Calero
- financial crisis
- Brooklyn has financial support
- with [illegible] full share of my help.

[illegible] talked to Wiggins and [illegible]
help on

Diego says Brooklyn has much
more support than does
Adolfo

- A coalition of Nicaraguans Indians
who think as Nicaraguans
would be better

- Brooklyn has no backing from
[illegible] + [illegible]

- Assembly will be held —
Honduran Mosquitia

[redacted]

1500

[illegible] / [illegible]

[illegible]

UNCLASSIFIED

Partially Declassified/Released on 27 July 87
under provisions of E.O. 12356
by B. Reger, National Security Council

EXHIBIT
OLN-231

2432

EXHIBIT OLN-232

For Value Received, I, John F. Donahue

hereby sell, assign and transfer unto the HERITAGE FOUNDATION 2,400 shares of t
below listed certificate of Capitol stock and the remaining 3,305 shar
are to be re-issued in the name of JOHN F. DONAHUE

(5705) Shares of the Common

Capital Stock of the Aetna Life and Casualty Company

standing in My name on the books of said Company

represented by Certificate No. NYD 30403 herewith

and do hereby irrevocably constitute and appoint Morgan Guaranty Trust Company of New York attorney to transfer the said stock on the books of the within named Company with full power of substitution in the premises.

Dated September 5, 1985

IN PRESENCE OF

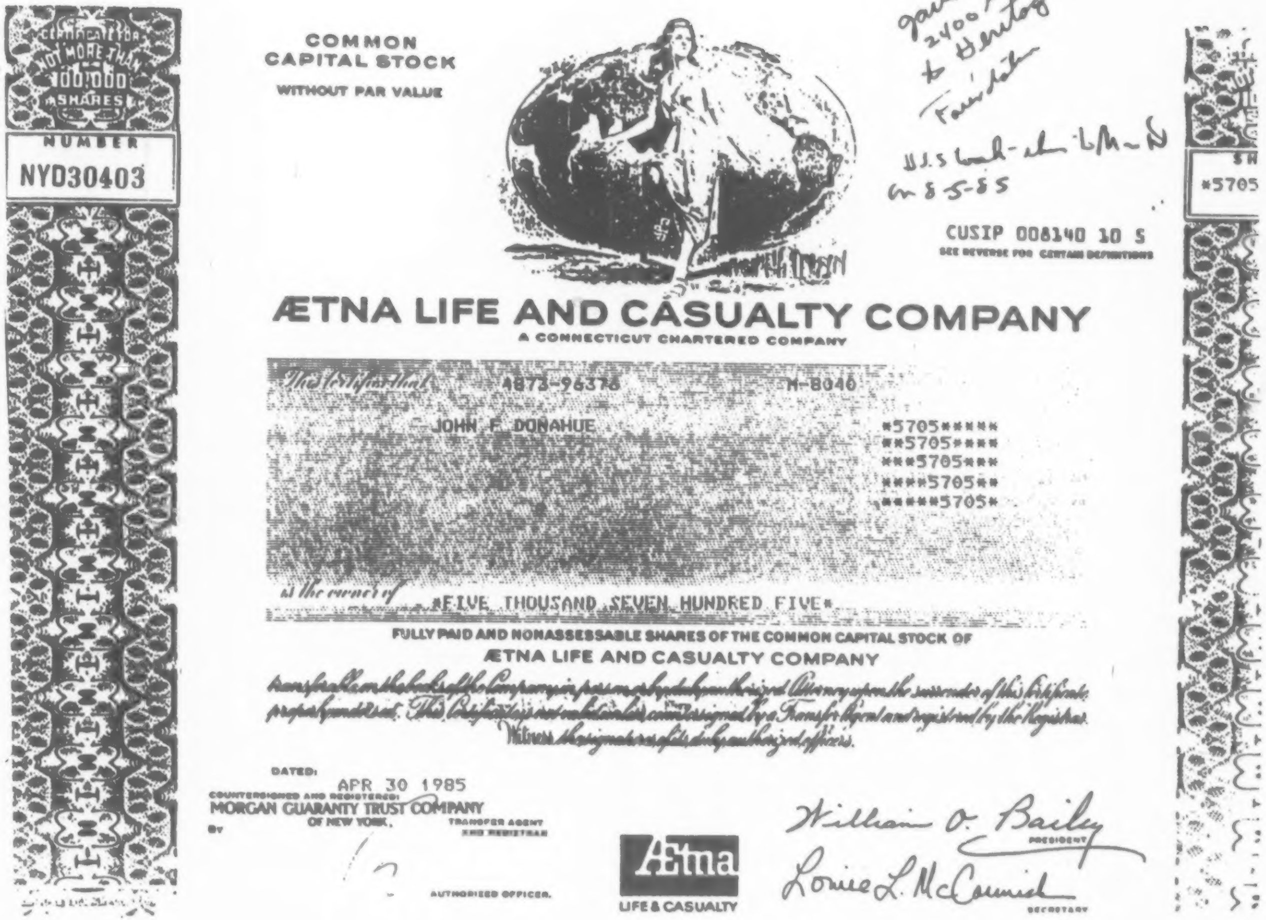
Nancy J. Fichte

John F. Donahue

9-5-85 43 3/8

9-6-85 it was 43 5/8

EXHIBIT
OLN-232



CERTIFICATE FOR NOT MORE THAN 100,000 SHARES

NUMBER
NYD30403

COMMON
CAPITAL STOCK
WITHOUT PAR VALUE

gave 2400 shares
to Heritage
Foundation

U.S. [illegible]
on 8-5-85

*5705

CUSIP 008140 10 5
SEE REVERSE FOR CERTAIN DEFINITIONS

ÆTNA LIFE AND CASUALTY COMPANY

A CONNECTICUT CHARTERED COMPANY

This Certifies that 4873-96378 M-8040

JOHN F. DONAHUE

*5705*****
5705**
5705
****5705**
*****5705*

is the owner of *FIVE THOUSAND SEVEN HUNDRED FIVE*

FULLY PAID AND NONASSESSABLE SHARES OF THE COMMON CAPITAL STOCK OF
ÆTNA LIFE AND CASUALTY COMPANY

transferable on the books of the Company in person or by duly authorized Attorney upon the surrender of this Certificate properly endorsed. This Certificate is not valid unless countersigned by a Transfer Agent and registered by the Registrar.
Witness the signatures of its duly authorized officers.

DATED: APR 30 1985

COUNTERSIGNED AND REGISTERED:
MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, TRANSFER AGENT AND REGISTRAR
BY

AUTHORIZED OFFICER.

Ætna
LIFE & CASUALTY

William O. Bailey
PRESIDENT

Louise L. McCormick
SECRETARY

EXHIBIT OLN-233

INSI—Institute for North-South Issues
1523 New Hampshire Avenue, N.W. Suite 200
Washington, D.C. 2000936
Telephone (202) 745-0360 Telex 3718712 IBC USA

September 12, 1985

Dr. Edwin J. Fuelner
President
The Heritage Foundation
204 Massachusetts Avenue, Northeast
Washington, D.C. 20002

Dear Dr. Feulner:

The Institute for North-South Issues, is a 501(c)3 whose objectives are to provide for public education and information programs on the vital issues of Central America.

We are applying to the Heritage Foundation for a one hundred thousand dollar grant to perform the following programs:

1. The dissemination in Central America of materials designed to educate the public on the political and economic realities of United States policy objectives, and the collection of scholarly responses to the materials.

2. Phase one will be followed by a program of public information on the Central American view of United States foreign and economic policy and how it relates to the political and economic future of Central American countries. This element will be a feedback mechanism for a conference to be scheduled in 1986.

3. The collection and analysis of data in the first two phases will be completed prior to the conference. Then United States scholars and policy makers will be given an opportunity to react to the analysis before the conference.

4. The Institute will provide all conference arrangements and select the scholars to participate in this program from among U.S. and Central American figures.

We consider the questions of cross-cultural observation to be critical to this program. It is as important that U.S. policy makers and political analysts understand the perception of the Central Americans, as it is for the Central Americans to have a

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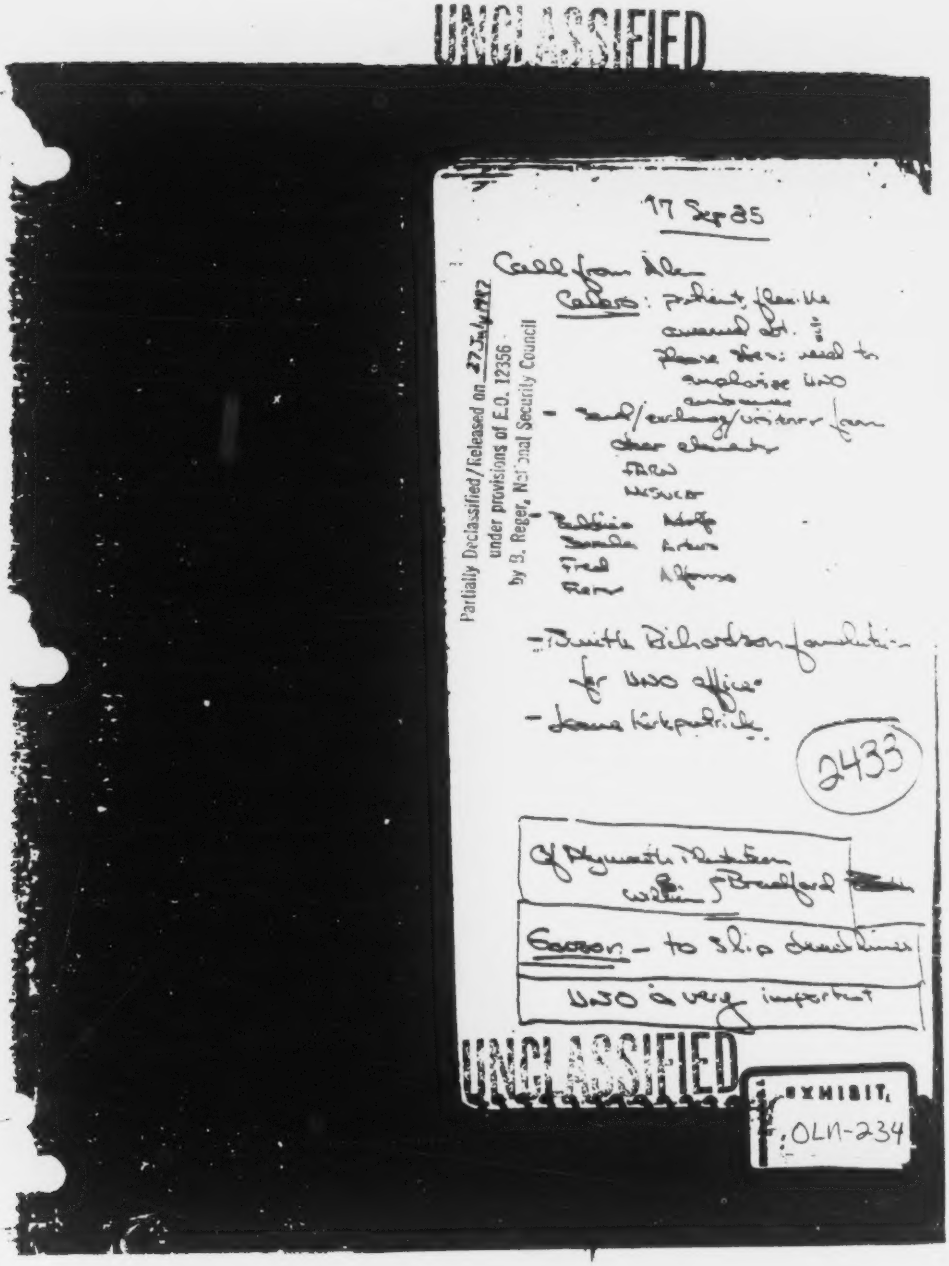
similar observation opportunity. This program will enable U.S. policy makers to better understand the political impact of their actions. For the Central Americans it will put U.S. foreign policy and national economic concerns in clearer perspective.

We are prepared to begin immediately on this program and are grateful to the Heritage Foundation for its assistance.

Sincerely,

Richard R. Miller
Treasurer

EXHIBIT OLN-234



UNCLASSIFIED

Partially Declassified/Released on 27 July 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

17 Sep 85

Call from Alan

Calero: patient, flexible
[illegible] [illegible].
Phase two: need to
emphasize UNO
umbrella

- Send/exchange/visitors from
other elements
FARN
MISURA

- Bolivar Wolfe
[illegible] Arturo
Fred Alfonso
[illegible]

- Smith Richardson foundation
for UNO office

- Jeane Kirkpatrick

2433

Of Plymouth Plantation
William Bradford

[illegible] - to slip deadlines

UNO is very important

UNCLASSIFIED

EXHIBIT
OLN-234

EXHIBIT OLN-235

8064

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

233

October 9, 1985

H 30482

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: Presidential letter to Mr. John Donahue

Attached at Tab I is a memo from you to the President requesting that he sign the letter to Mr. John Donahue at Tab A. The President's letter thanks Mr. Donahue for his support and encouragement of our policies in Central America. This letter fulfills a commitment we made to Dr. Godson during our discussions last month.

RECOMMENDATION

That you initial and forward your memo to the President at Tab I.

Approve _____ Disapprove _____

Attachments
- Tab I - McFarlane Memo to the President
  - Tab A - Presidential ltr to Donahue

EXHIBIT
OLN-235

OLN 00F 8Y22-10
JR, FBI
4/1/87.

8064

THE WHITE HOUSE

WASHINGTON

ACTION

N 30483

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT C. MCFARLANE

SUBJECT: Letter to Mr. John Donahue

Issue

Letter to Mr. John Donahue (Tab A).

Facts

Mr. John Donahue has provided significant support and encouragement for our policies in Central America.

Discussion

It would be appropriate to acknowledge our appreciation for this support by means of the correspondence attached at Tab A.

Recommendation

OK	No	
_____	_____	That you sign the letter at Tab A.

Prepared by:
Oliver L. North

Attachment
Tab A - Letter to Mr. John Donahue

THE WHITE HOUSE
WASHINGTON

N 30484

Dear Mr. Donahue:

Thank you for your kind words of support and encouragement for the Administration's policy in Central America. Your patriotic effort on behalf of liberty and democracy has been invaluable to the millions who struggle for freedom in the region.

May God bless you for your dedication and patriotism.

Sincerely,

Mr. John Donahue
Chairman, Federated Investors
421 Seventh Avenue
Pittsburgh, PA 15219

EXHIBIT OLN-236

①

The Heritage Foundation

A tax-exempt public policy research institute

R M 01721

October 15, 1985

Mr. Richard R. Miller
Treasurer
Institute for North-South Issues
1523 New Hampshire Avenue, N.W., Suite 200
Washington, D.C. 20036

Dear Mr. Miller:

Thank you for your letter of September 12, 1985.

My colleagues and I have discussed your proposal in some detail, and are pleased to respond in a positive way to it. Therefore, I am enclosing a check from The Heritage Foundation in the amount of $100,000 as you requested in your letter.

We would appreciate receiving reports from you as to the uses to which these funds have been put, and would also like to have a copy of your tax-exempt letter for our files.

It is our assumption, of course, that all of these funds will be used in accordance with the stated purposes of your 501(c)(3) organization.

Best wishes to you in your endeavors.

Sincerely,

Edwin J. Feulner, Jr., Ph.D.
President

EJF/kr
Enclosure

EXHIBIT
OLN-236

Herbert B. Berkowitz, *Vice President*
Gordon S. Jones, *Vice President*
Burton Yale Pines, *Vice President*

Edwin J. Feulner, Jr., *President*
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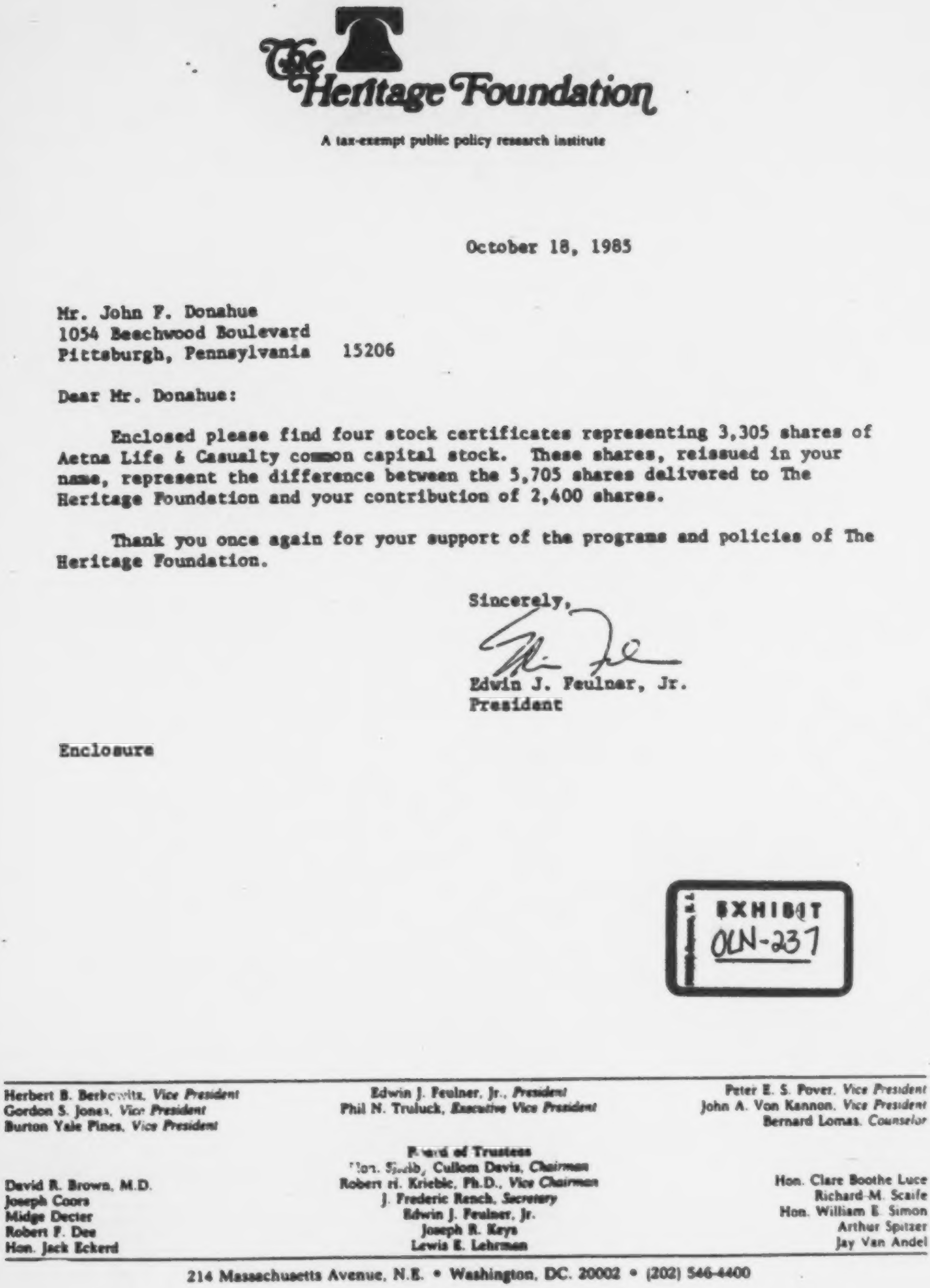

The Heritage Foundation

A tax-exempt public policy research institute

October 18, 1985

Mr. John F. Donahue
1054 Beechwood Boulevard
Pittsburgh, Pennsylvania 15206

Dear Mr. Donahue:

Enclosed please find four stock certificates representing 3,305 shares of Aetna Life & Casualty common capital stock. These shares, reissued in your name, represent the difference between the 5,705 shares delivered to The Heritage Foundation and your contribution of 2,400 shares.

Thank you once again for your support of the programs and policies of The Heritage Foundation.

Sincerely,

Edwin J. Feulner, Jr.
President

Enclosure

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Herbert B. Berkowitz, *Vice President*
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214 Massachusetts Avenue, N.E. • Washington, DC. 20002 • (202) 546-4400

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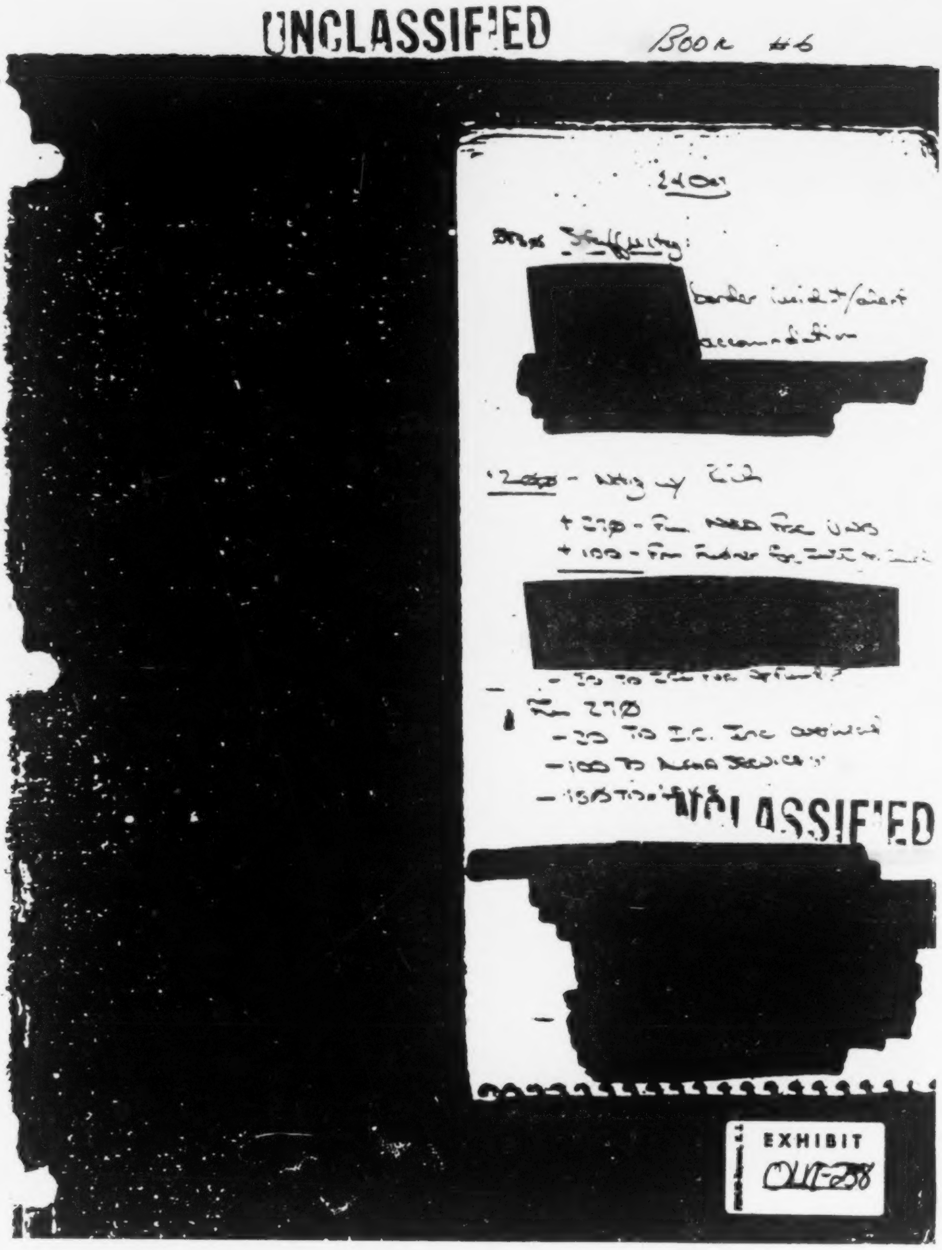


UNCLASSIFIED

Book #6

[redacted]

24 Oct

[illegible] Staffing:

[redacted] border [illegible]/alert accommodation

'2000 - [illegible]

+ 270 - Fm [illegible]
+ 100 - Fm [illegible]

[redacted]

- [illegible] to [illegible] for [illegible]?

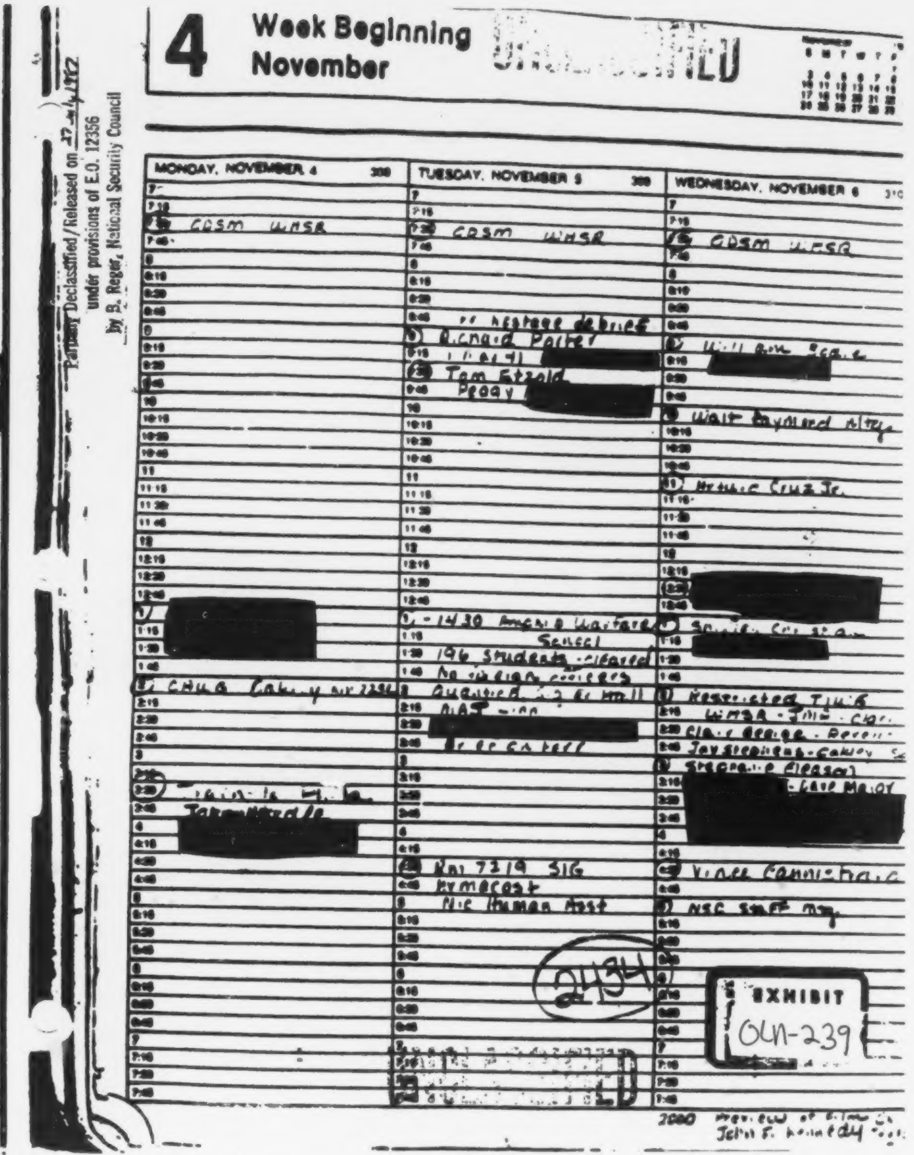
Fm 270
- 20 to I.C. [illegible]
- 100 to [illegible] Services
- 150 to [illegible]

UNCLASSIFIED

[redacted]

EXHIBIT
OLN-238

EXHIBIT OLN-239



Partially Declassified/Released on 27 July 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

4 Week Beginning November

UNCLASSIFIED

MONDAY, NOVEMBER 4 308

7:30 CDSM WHSR

1 [redacted]

2 CHUA Cabinet rm 2294

2:30 Train to Fla.
Jacksonville
[redacted]

TUESDAY, NOVEMBER 5 309

7:30 CDSM WHSR

8:45 " hostage debrief

9 Richard Porter

9:15 [illegible] [redacted]

9:30 Tom Etzold

9:45 Peggy [redacted]

1 - 1430 Angela Waitara
School

1:30 196 students - cleared

1:45 No [illegible] concerns

2 Quartered in [illegible] Hall

2:15 MAT - inn

2:30 [redacted]

2:45 Bruce Carter

4:30 Rm 7319 SIG

4:45 Armacost

5 Nic Human Asst

2434

WEDNESDAY, NOVEMBER 6 310

7:30 CDSM WHSR

9 William Rogers
[redacted]

10 Walt Raymond Mtg

11 Arturo Cruz Jr.

12:30 [redacted]

1 Spanish [illegible]
[redacted]

2 Restricted TIWG
WHSR - Jim - Clar.
Clair George - Dev.
Jay Stephens - Cabinet

3 Stephanie [illegible]
[redacted] - Gene Major

4:30 Vince Cannistraro

5 NSC staff mtg

2000 Preview of Film on John F. Kennedy

EXHIBIT
OLN-239

EXHIBIT OLN-240

④

INSI—Institute for North-South Issues
1912 SUNDERLAND PLACE, N.W.
WASHINGTON, D.C. 20036 - 1608
TELEPHONE (202) 387-3002 TELEX 3718712 IBCUSA

R M 017210

May 12, 1986

Edwin J. Feulner, Jr., Ph.D.
President
The Heritage Foundation
214 Massachusetts Avenue, N.E.
Washington, D.C. 20002

Dear Dr. Feulner:

I apologize for the delay in responding to your October 15, 1985 letter. I have enclosed a copy for your reference.

In your letter you requested a copy of our tax status letter. The letter was very long in coming and we discovered why on March 19, 1986. The IRS exceeded our request for 501(c)(3) status and of its own accord granted us 509(a)(1) status. We are now a tax exempt and charitable foundation. A copy of our determination ruling is attached for your review.

We are compiling several final information pieces and a report and will forward it to you when it is complete.

Sincerely,

Francis D. Gomez

Francis D. Gomez
President

EXHIBIT
OLN-240

EXHIBIT OLN-241

③

INSI—Institute for North-South Issues
1912 SUNDERLAND PLACE, N.W.
WASHINGTON, D.C. 20036 · 1808
TELEPHONE (202) 659-6556 TELEX 3718712 IBCUSA

R M 01721

MEMORANDUM TO FILE

TO: File
Anthony and Williams, CPA
INSI directors

FROM: Richard R. Miller Richard R. Miller
Treasurer

DATE: December 1, 1986

SUBJECT: Heritage Foundation grant of October 15, 1986

The attached correspondence is evidence of a grant given to INSI by the Heritage Foundation. The grant was provided to INSI at the request of an another 501(c)(3) organization, the National Strategy Information Center.

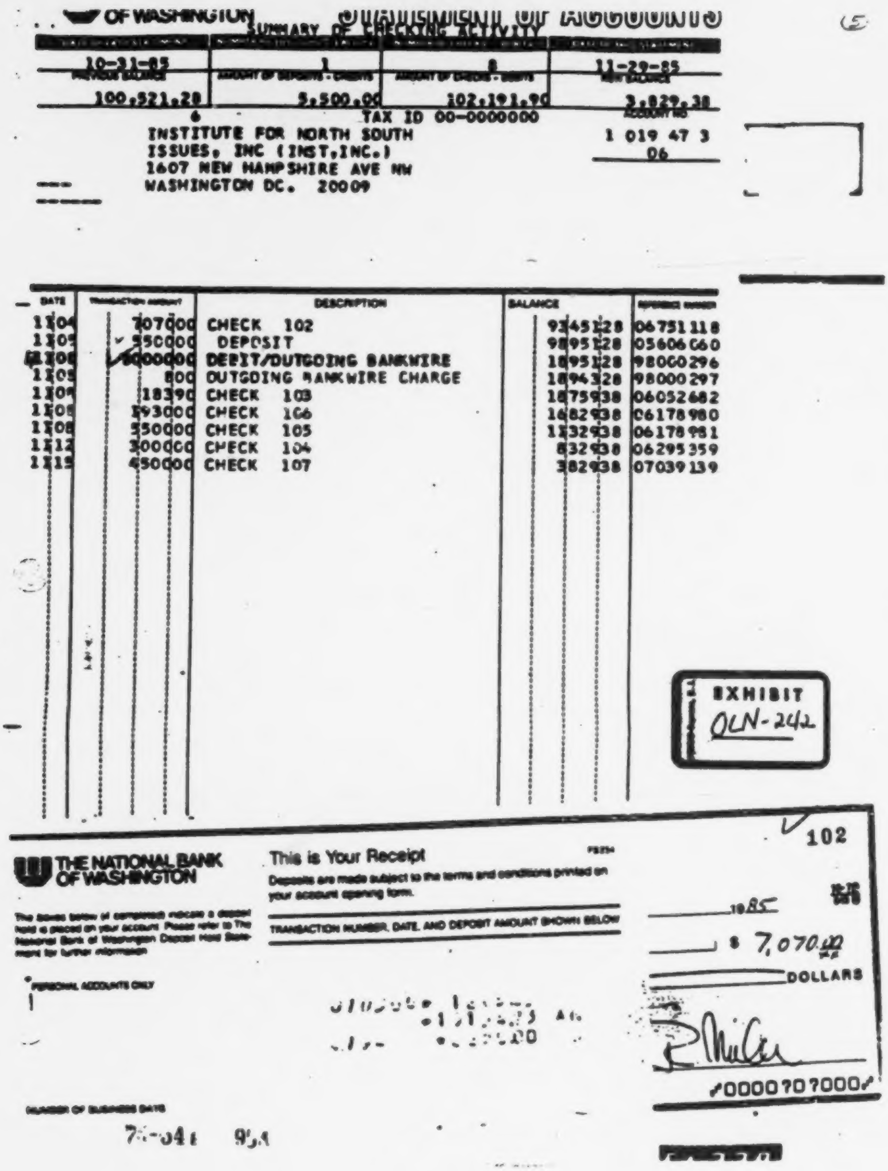
The National Strategy Information Center had been approached to administer this grant and had not felt it was within their strategic and anti-terrorist mandate, therefore requesting that INSI be given the grant for administration.

The grant required an investigation and analysis of the information available to international news organizations on the issues involved with the conflict in Central America. The grant provided money and resources to political and news organizations in Central America with resources to develop information channels on the evolving conflict in Central America. INSI retained a twenty percent administration fee for its distribution of this grant. All other expenditures where made through latin American non-profit organizations.

The information feed-back, in the form of formal reports, from the Latin American organizations has been disappointing in regards to this grant but the effort to foster and strengthen Latin American news organizations has been quite rewarding, as evidence by the development of further program grants by such organizations as the National Endowment for Democracy and the National Endowment for the Preservation of Liberty.

EXHIBIT
OLN-241

EXHIBIT OLN-242



OF WASHINGTON STATEMENT OF ACCOUNTS

SUMMARY OF CHECKING ACTIVITY

(5

10-31-85	1	8	11-29-85
PREVIOUS BALANCE	AMOUNT OF DEPOSITS - CREDITS	AMOUNT OF CHECKS - DEBITS	NEW BALANCE
100,521.28	5,500.00	102,191.90	3,829.38

6 TAX ID 00-0000000

INSTITUTE FOR NORTH SOUTH
ISSUES, INC (INST,INC.)
1607 NEW HAMPSHIRE AVE NW
WASHINGTON DC. 20009

ACCOUNT NO
1 019 47 3
06

DATE	TRANSACTION AMOUNT	DESCRIPTION	BALANCE	REFERENCE NUMBER
1104	707000	CHECK 102	9345128	06751118
1105	✓ 550000	DEPOSIT	9895128	05606060
1108	✓ 8000000	DEBIT/OUTGOING BANKWIRE	1895128	98000296
1105	800	OUTGOING BANKWIRE CHARGE	1894328	98000297
1109	18390	CHECK 103	1875938	06052682
1105	193000	CHECK 106	1682938	06178980
1108	550000	CHECK 105	1132938	06178981
1112	300000	CHECK 104	832938	06295359
1115	450000	CHECK 107	382938	07039139

EXHIBIT
OLN-242

THE NATIONAL BANK
OF WASHINGTON

The boxes below of completed indicate a deposit hold is placed on your account. Please refer to The National Bank of Washington Deposit Hold Statement for further information.

*PERSONAL ACCOUNTS ONLY

NUMBER OF BUSINESS DAYS

This is Your Receipt

Deposits are made subject to the terms and conditions printed on your account opening form.

TRANSACTION NUMBER, DATE, AND DEPOSIT AMOUNT SHOWN BELOW

✓ 102

19 85

$ 7,070.00

DOLLARS

⑈0000707000⑈

Transactions in I.C. Inc. Barclays Caman Islands Account

(A)	11-13-85 Balance in I.C. Inc Account	$ 40,752.10
	11-13-85 Heritage Foundation deposit from INSI	80,000.00
	11-13-85 Balance	120,752.10
	11-14-85 Transfer to Lake Resources	− 48,074.60
	11-14-85 Balance	72,677.50

(B)	11-13-85 Heritage Foundation deposit from INSI	80,000.00
	11-14-85 Balance	72,677.50
	Portion of Heritage funds going to Lake Resources on 11-14-85	7,322.50

(C)	11-14-85 Transfer to Lake Resources	$ 48,074.60
	11-13-85 Balance before Heritage deposit	40,752.10
	Portion of Heritage funds going to Lake Resources on 11-14-85	7,322.50

5
⑦

I.C. Inc.

C4

06/15/87
16:56

BARCLAYS BANK (CAYMAN ISLANDS)
IC ACCOUNT

I.C. Cash Analysis

DATE	ACCOUNT		TOTAL ACCOUNT DEBIT	TOTAL ACCOUNT CREDIT	BALANCE	Barclays Grand Cayman ACCOUNT 1000659 DEBIT	CREDIT	Barclays ACCOUNT 7043045 DEBIT	CREDIT	Barclays ACCOUNT 7300735 DEBIT	CREDIT	Barclays ACCOUNT 7043715 DEBIT	CREDIT
30-Apr-85	1000659	OPENING DEPOSIT	0.00	1,000.00	1,000.00		1,000.00						
27-Sep-85	1000659	IBC	0.00	100,000.00	101,000.00		100,000.00						
09-Oct-85	1000659	INTEREST	75.85	0.00	100,924.15	75.85							
09-Oct-85	1000659	LAKE RESOURCES	100,000.00	0.00	924.15	100,000.00							
29-Oct-85	1000659	IBC	0.00	250,000.00	250,924.15		250,000.00						
31-Oct-85	1000659	CHARGE	105.80	0.00	250,818.35	105.80							
31-Oct-85	1000659	LAKE RESOURCES	150,000.00	0.00	100,818.35	150,000.00							
01-Nov-85	1000659	CALERO	100,000.00	0.00	818.35	100,000.00							
01-Nov-85	1000659	CHARGE	66.25	0.00	752.10	66.25							
13-Nov-85	1000659	IBC	0.00	40,000.00	40,752.10		40,000.00						
13-Nov-85	1000659	HERITAGE FOUNDATION	0.00	90,000.00	130,752.10		90,000.00						
19-Nov-85	1000659	LAKE RESOURCES	58,074.60	0.00	72,677.50	58,074.60							
27-Nov-85	1000659	[illegible] PERSONAL	0.00	5,000.00	77,677.50		5,000.00						
16-Dec-85	1000659	IBC	0.00	360,000.00	437,677.50		360,000.00						
31-Dec-85	1000659	[illegible] ENTERPRISES	40,000.00	0.00	397,677.50	40,000.00							
31-Dec-85	1000659	CHARGE	48.00	0.00	397,629.50	48.00							
21-Jan-86	1000659	[illegible] ENTERPRISES	20,000.00	0.00	377,629.50	20,000.00							
21-Jan-86	1000659	CHARGE	190.70	0.00	377,438.80	190.70							
21-Jan-86	1000659	LAKE RESOURCES	360,000.00	0.00	17,438.80	360,000.00							
17-Mar-86	1000659	CHARGE	59.75	0.00	17,379.05	59.75							
17-Mar-86	1000659	MUTUAL	15,000.00	0.00	2,379.05	15,000.00							
27-Mar-86	1000659	IBC	0.00	740,000.00	742,379.05		740,000.00						
10-Apr-86	1000659	CHARGE	247.40	0.00	742,131.65	247.40							
10-Apr-86	1000659	LAKE RESOURCES	650,000.00	0.00	92,131.65	650,000.00							
21-Apr-86	1000659	CHARGE	26.82	0.00	92,104.83	26.82							
21-Apr-86	1000659	GULF AND CARIBBEAN FOUNDATION	14,254.00	0.00	77,850.83	14,254.00							
05-May-86	1000659	CARLOS ULET	10,000.00	0.00	67,850.83	10,000.00							
05-May-86	1000659	CHARGE	53.50	0.00	67,797.33	53.50							
07-May-86	1000659	CHARGE	36.75	0.00	67,760.58	36.75							
07-May-86	1000659	[illegible] PONCE	11,000.00	0.00	56,760.58	11,000.00							
15-May-86	1000659	CHARGE	5.00	0.00	56,755.58	5.00							
15-May-86	1000659	CHARGE	5.00	0.00	56,750.58	5.00							
15-May-86	1000659	IBC	0.00	1,250,000.00	1,306,750.58		1,250,000.00						
15-May-86	1000659	TRANSFER	1,125,000.00	1,125,000.00	1,306,750.58	1,125,000.00			1,125,000.00				
15-May-86	1000659	UNCI	125,000.00	0.00	1,181,750.58	125,000.00							
15-May-86	1000659	UNCI	10,000.00	0.00	1,171,750.58	10,000.00							
02-Jun-86	1000659	CHARGE	9.00	0.00	1,171,741.58	9.00							
02-Jun-86	1000659	TRANSFER	30,000.00	30,000.00	1,171,741.58	30,000.00			30,000.00				
05-Jun-86	7043045	TRANSFER	1,105,000.00	1,105,000.00	1,171,741.58			1,105,000.00			1,105,000.00		
22-Jun-86	7043045	CALERO	15,000.00	0.00	1,156,741.58			15,000.00					
22-Jun-86	7043045	CHARGE	33.00	0.00	1,156,708.58			33.00					
24-Jun-86	7300735	CALERO	500,000.00	0.00	656,708.58					500,000.00			
24-Jun-86	7300735	NICARAGUAN BUSINESS COUNCIL	10,000.00	0.00	646,708.58					10,000.00			
24-Jun-86	7300735	FREDERICK [illegible]	7,000.00	0.00	639,708.58					7,000.00			
24-Jun-86	7300735	FRIENDS OF AMERICA	125,000.00	0.00	514,708.58					125,000.00			
24-Jun-86	7300735	INSTITUTE FOR TERRORISM	75,000.00	0.00	439,708.58					75,000.00			
24-Jun-86	7300735	[illegible]	5,000.00	0.00	434,708.58					5,000.00			
15-Jul-86	1000659	CHARGE	5.00	0.00	434,703.58	5.00							
15-Jul-86	1000659	TRANSFER	29,000.00	29,000.00	434,703.58		29,000.00	29,000.00					
15-Jul-86	1000659	UNCI	38,000.00	0.00	396,703.58	38,000.00							

[illegible]
47,[illegible]3.45 [illegible]

EXHIBIT OLN-243

[redacted]

on/drg

~~TOP SECRET~~ cy 1 of 3

#1023 [Number]

#1023 5/2/87

EXHIBIT
OLN-243

DEPOSITION OF ROBERT EARL

Partially Declassified/Released on 20 May 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

Saturday, May 2, 1987

House of Representatives,
Select Committee to Investigate Covert
Arms Transactions with Iran,
Washington, D.C.

#1023

The committee met, pursuant to call, at 3:30 p.m., in Room 901, Hart Senate Office Building, W. Neil Eggleston (Deputy Chief Counsel of the House Select Committee) presiding.

Present: W. Neil Eggleston, Deputy Chief Counsel; Mark Belnick, Executive Assistant to the Chief Counsel; Terry Smiljanich, Associate Counsel; Richard A. Arenberg, Administrative Assistant to U.S. Senator George J. Mitchell; Victoria F. Nourse, Senate Select Committee; Richard Cullen, Administrative Assistant to Senator Paul Trible; and Dennis Dean Kirk, Esquire, Counsel for Robert Earl.

soon the Attorney General's people were planning to come over?

A- Yes. It was unclear whether it was going to be Saturday, Sunday, Monday, or exactly when.

Q You understood that by the time you started disposing of the files?

A Yes.

Q Anything more on Friday?

A Not that I can recall at the moment.

Q When you left the office Friday, do you recall whether Colonel North and Fawn Hall still were there?

A I think when I left the office, that only Colonel North was there, but I am not positive of that.

Q The next morning is Saturday, November 22. Did you go to work that morning?

A I got a call from, I believe, White House Signal, but I am not sure now whether it was Paul Thompson calling me or whether a message was relayed through the White House Signal, but somebody called me to say "Come and open up the office," that Colonel North wasn't available, couldn't be found. So I went in and opened up the office.

Q Just let me ask you. Back on the 21st -- do you kno Tom Green?

A Yes.

Q Did he come to Suite 302 on Friday, the 21st, before you left?

UNCLASSIFIED

~~TOP SECRET~~

A Not that I recall. He may have, but that I recall.

Q. Now we are back on Saturday morning. You get a contact from White House Signal, et cetera. Do you go to 302 and open up?

A I recall driving through the gate and parking on the street between OEOB and the West Wing. I wasn't sure whether I ought to go up to Paul Thompson's office or over to Paul's office. I recall considering that, but I don't recall what my solution to the dilemma was. I went to one of the two places first. I do recall I did eventually, either directly or secondly, go to the office and open it up.

Q You were the first guy to arrive at 302 that morning?

A Yes.

Q Now, do you remember, were files laid out when you opened the office up?

A This is another one that I cannot recall, whether the circular table in front of Colonel North's desk had files on it at that point when I got there or whether it was empty and I added all the files for them to review.

Q In any event, the table you are referring to -- which I imagine you are going to tell me, the AG representatives reviewed documents, right?

A Yes.

Q That on Exhibit 2 is the table marked "conference table" in North's office, right?

A - Correct.

Q Okay. Did the Attorney General's people arrive next or someone before them?

A At some point, I am not sure exactly how much later, but I think what happened next was that Paul Thompson brought over two representatives from the Department of Justice, Bradford Reynolds, and I think his name is John Richardson, introduced me, said they were there to look at files on the Iran project, and then I think Paul Thompson left.

Q And Richardson and Reynolds started their review?

A Correct.

Q Do you recall their asking you for any specific documents, files?

A I recall that they asked for more documents, or maybe all of them. If the table was empty, they asked for all the documents; if the table had some of them arranged, they asked for more. I recall going behind Colonel North's

'nto this credenza and going thorugh files in his credenza pulling them out and looking at the subject title to see if they were relevant and putting some of them that were I believe relevant onto the table for their review.

[redacted]

UNCLASSIFIED

So I looked through all those documents behind Colonel North's desk, I couldn't find them. I will go into that more if you want. They were subsequently found.

Q Where did you find them?

A I didn't find them, Colonel North found them. When he came in, I told him of their request for them.

Q Now, Richardson and Reynolds were in Colonel North's office, you were in there with them?

A Initially, I was in there looking for the files in the credenza, and I also from his desk placed a call to him to let him know that I was in his office and the people were there, and to see if he had gotten the call and was en route, and he had said, yes, he had gotten the call, and he would be there in a while. I am not sure exactly how much later, an hour, or maybe two hours later.

Q That was the substance of your conversation with him?

A Yes.

Q He arrived next at 302. Was he the next person to come in?

A No.

Q Who came next?

A The next thing that happened is that they left to go to lunch with the Attorney General. On their way out, in the passageway, they ran into Colonel North coming in.

They had a brief conversation in the hallway, and then Colonel North came into the office.

Q Did you overhear their conversation?

A No. I observed it, I was on my way out and saw them down there talking to Colonel North. So I never got out of the office when Colonel North arrived.

Q North came into the office?

A I told him of the request of the tea[redacted] [redacted] He said he didn't know where they were filed and started looking around, and apparently found them. I am not sure that he found them while I was still there or while I was on the same floor with him. My recollection is when Richardson and Brad Reynolds returned, there was a file, an empty file folder on the desk that had not been there before that Bradford Reynolds held up and said, "Now, that is very sensitive," because it was empty, and I couldn't explain why it was sensitive.

Q We get protection of documents like that from the White House all the time.

A Colonel North was out of the office at that time. When he returned, he explained they had been filed in one of these files over here.

Q In front of Barbara Brown's desk?

A Yes, and had taken them and put them with [redacted] [redacted]

Q Before the AG team came back, did you and North have any conversation apart from talking about [redacted]

A Not that I can recall the substance of, although there were a couple little parts that I recall before the AG's teams -- before they returned.

Colonel North continued to review documents, and I think found others that were suitable for the category that we had been looking for the day before.

Q Termination?

A Termination.

MR. LEON: Where was he looking for those, among the files they had just reviewed?

THE WITNESS: I don't think so, but I am not positive. I think it was other files back on his desk. I am not sure where -- oh, and one of the things he told me when he first came in was that the shredder had broken the night before, because I reached up to turn it on, and sure enough, it wasn't working. Then when he was compiling material --

BY MR. BELNICK:

Q Can I stop you there for a second, Bob? Was the shredder bag full?

A I don't recall.

Q Was the machine the kind of machine you could see the bag, or would you have to open it? Was the bag visible?

A I think it was.

Q It didn't work. Did he ask you to find a working shredder?

A He didn't ask me. I intuited it from what he was doing. I told him I was going across the hall to CMC where I knew they had a shredder and see if we could get in there. The door was locked, so I couldn't get in. And at some point -- the recollection that I had, rather than speculate how we get to it, is of Colonel North with a file and a stack of documents that I knew from all of this were to be shredded, had Paul Thompson standing beside him and in some way a reference to going over to the sift room with a hefting of the documents -- I am not exactly sure what, but I knew what he meant, and I don't know what Thompson knew or inferred from that.

Q Did Ollie have the documents he was carrying in folders?

A I think it was one folder with a bunch of papers in them, but I am not sure.

Q Do you know what kinds of papers they were? You say they were the kind that qualified for the Termination Department. Do you remember -- what were they, PROF messages, something else?

A I don't know.

MR. LEON: This kind of folder?

MR. BELNICK: The record can't see that.

MR. LEON: Accordian-type folder.

THE WITNESS: I don't recall whether it was accordian or the kind that doesn't have sides on it, just a manila folder open. It could have been either.

BY MR. BELNICK:

Q Did Colonel North and Thompson walk toward the West Wing together?

A I am not sure. I think they did.

Q In any event, they weren't there when the AG team returned?

A That is right. I was alone.

Q The AG team came back, said hello, and they started to do that good work again?

A And asked about the new folder without any documents in it.

Q Other than that, it was the same as the morning had been, more exciting review?

A At some point, Colonel North came back. I don't know which one it was, Reynolds or Richardson, told Colonel North the Attorne/ General would like to speak to him. So Colonel North called the Attorney General.

Q In his office, from his office?

A Yes. He was sitting back there talking to him. I believe it was to him. He called him sir, and were arranging for a meeting the next day. WhatI heard from Colonel North's

EXHIBIT OLN-251

FROM THE MIDSHIPMEN'S REGULATIONS OF 1964

CHAPTER 4

HONOR CONCEPT

PRINCIPLES AND DEFINITIONS

1. The Honor Concept of the Brigade of Midshipmen establishes ciples rather than outlining specific offenses. It demands the ief that midshipmen must learn to make their own decisions based uidelines or principles concerning their actions in any situation.

Honor Concept principles are:

a. A member of the Brigade does not lie, cheat, or steal.

b. The responsibility for the implementation and enforcement the Honor Concept rests with the Brigade.

c. Regardless of the rank or position of the person who reports ember of the Brigade for an honor violation, the investigation and luation of the accused is conducted by the Brigade.

d. The decision as to whether a member of the Brigade will ort another midshipman for an honor violation rests solely with the dshipman observing the violation. This decision is of the gravest sponsibility. It is based on whether, in his judgment, the violator capable of assuming the high standards of personal integrity required a member of the Brigade. Is he entitled to continue being a midshipman?

e. The decision of the Brigade in regard to an honor coniction is final, and will normally result in separation.

f. Every midshipman is presumed to be honorable until asonable doubt is created otherwise. A midshipman's statements and ctions must always represent the complete truth. In response to estions by competent superior authority, a midshipman shall answer orthrightly and truthfully, under any and all circumstances.

2. The following definitions are pertinent to the Midshipman nor Concept:

a. Lie: A deliberate oral or written untruth. It may be an ral or written statement which is known to be false or a simple response o a question in which the answer is known to be false.

EXHIBIT
OLN-251

b. Mislead or deceive: A deliberate misrepresentation of true situation by being untruthful or withholding or omitting or subt wording information in such a way as to leave an erroneous or false impression of the known true situation.

c. Cheat: To intentionally mislead or defraud or endeavor mislead or defraud another contrary to the confidence normally placed a midshipman. To use unauthorized assistance in submitted work desig to represent one's own efforts. Similarly, plagiarism, in which work copied or paraphrased without giving credit by quotation marks and/or footnotes, is cheating.

d. Steal: To wrongfully take, obtain or withhold property from the possession of the true owner with the intention of permanent or temporarily depriving the owner of its use or possession.

e. Intent: In lying, cheating, stealing, misleading, or deceiving, the intent of the accused midshipman is an integral part of the offense. Fraudulent intent or an attempt to mislead is germane to whether an honor offense has occurred or not.

3. The above guidelines should be the basis for a midshipman's conduct in all places and under all conditions, whether official or personal in nature. The Honor Concept is a way of life rather than a set of regulations.

0402. ORGANIZATION

1. The Brigade Honor Committee is an organization of midship charged with the responsibility to indoctrinate the Brigade, to insure high standards of honor, to keep the Honor Concept alive as an integr part of every midshipman's education, and to hear the cases of those midshipmen reported for violations of the Honor Concept.

2. Each class in each company will elect an honor representati Elections will be conducted just after completion of first semester examinations by the second, third, and fourth classes for the followi year. The incoming fourth class will elect Company Honor Representati on the second Tuesday following the reforming of the Brigade.

3. Company Honor Representatives from the prospective first cl will elect, from among themselves, a Chairman, Vice-Chairman, Recorder and Coordinator for the Brigade Honor Committee. Replacement Company Honor Representatives will be elected for these committee officials fr the company providing the individual.

4. In each battalion there will be a Battalion Honor Represent for each class. The first class battalion representatives will be app by the first class Brigade Honor Chairman. For the underclass the pro- cedure will be by vote among the six newly elected company representat from that battalion.

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5. The Honor Committee is composed of:

a. Midshipman Presiding Officer (no vote) - The elected irman or Vice-Chairman, Honor Organization.

b. Midshipman Investigating Officer (no vote) - A designated pany Honor Representative of the class of the accused except that a ignated first classman will investigate fourth class cases and all s reported by other than midshipmen.

c. Recorder (no vote) - The elected Recorder, Honor Organization

d. Five first class Company Honor Representatives (one from battalion other than the battalion of the accused - one vote each).

e. Brigade Commander (one vote) - On any case the Brigade mander may appoint a representative of the grade of Midshipman mander to sit in his stead.

f. The Second, Third or Fourth Class President (one vote each) - se midshipmen sit on the committee when it is hearing cases concerning bers of their own class or junior classes. Any elected Class Officer substitute for the Class President.

6. A Class Investigating Committee, for each class except the t class, examines all underclass cases. This Committee will inquire reported honor violations concerning their classmates and either ard the case to the Honor Committee or if suspicion of an honor ation is unfounded terminate the case. The Class Investigating Comtee is composed of:

a. Midshipman Presiding Officer (no vote) - The elected s President or Vice-President, Class Organization.

b. Midshipman Investigating Officer (no vote).

c. Recorder (no vote) - The elected Secretary, Class nization.

d. Five (same class as accused) Class Company Honor Repretatives (one from each battalion other than the battalion of the sed (one vote each)).

DUTIES

1. The Chairman, Brigade Honor Committee, has overall responsity for the dissemination of the Honor Concept within the Brigade dshipmen. He will coordinate all aspects of Honor Indoctrination; ill conduct Honor Committee meetings; and he will coordinate with Brigade Commanders, Class Presidents, and Class Honor Representa-, in ensuring a proper attitude toward Honor within the Brigade

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and the proper administration of reported honor offenses. He will designate the five First Class Company Honor Representatives to sit on each Honor Committee case.

2. The Vice-Chairman, Brigade Honor Committee, will designate Midshipman Investigating Officers. Further he will supervise the conduct of all investigations, providing guidelines for Investigating Officers which will ensure fair and impartial investigations prior to Honor Committee meetings. He will act as Advisor to the Fourth Class Investigating Committee. He will assist the Chairman in the execution of his duties.

3. The Coordinator, Brigade Honor Committee, will ensure that communications are maintained with all Company and Battalion Honor Representatives and with the Brigade. He will aid the Chairman in selecting the Liaison Officers for each academic department from the first class Company Representatives, and will coordinate these men in their work with the academic departments in regard to reported cases and other matters of honor in the Brigade.

4. The Recorder, Brigade Honor Committee, will act as reporter of Honor Committee meetings. Further, he prepares, according to prescribed format, a written report for submission to the Commandant when Committee findings show an honor violation has occurred.

5. The designated Midshipman Investigating Officer will investigate the case, collect the evidence, call witnesses, and in general conduct the case before the Investigating Committees and Honor Committee. He will specifically ensure that the accused has been afforded the opportunity to select a Midshipman Advisor, and that the charge is presented and explained to the accused. The Midshipman Investigating Officer has the obligation to investigate and present the case in a fair, impartial, and objective manner. The Investigating Officer will be a first classman for all cases reported by other than midshipmen, and all first and fourth class honor cases.

6. The Midshipman Advisor to the accused, if so requested by the accused, will accompany the accused before the Class Investigating Committee and before the Brigade Honor Committee. As an advisor he will ensure that the accused understands the Committee procedures and is given an opportunity to present evidence in his behalf. It remains the responsibility of the accused to present his own case, but he may be assisted by his advisor to the extent he desires.

7. The Battalion Honor Representatives will coordinate Honor Indoctrination within their respective battalions, serve as Investigating Officers, if so designated, and act as Company Honor Representatives for their respective companies.

8. The Company Honor Representatives are the link between the Brigade and the Brigade Honor Committee. Where designated they will serve on the Brigade Honor Committee or as Investigating Officers. When

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selected, they will act as Midshipman Advisors to the accused. The First Class Company Honor Representative is responsible for indoctrination of his company in the Honor Concept. He will keep underclass honor representatives in his company informed on honor matters, ensure that prescribed Honor Concept material is covered during seminars within his company and work toward a high quality and effectiveness of honor presentations.

9. Underclass Company Honor Representatives will assist the First Class Honor Representative in the performance of his responsibilities, and ensure full awareness of the principles of the Honor Concept by the midshipmen in their class within their company.

10. The Class Investigating Committee, under the Class President, will determine whether to forward the case to the Honor Committee or terminate it at the class level. The decision to forward or terminate a case will be made on the basis of a simple majority vote by voting members of the Committee. The Chairman, Brigade Honor Committee, will render advice and counsel to the Class Presidents, as necessary or requested.

0404. RESPONSIBILITIES OF THE BRIGADE

1. In that the Honor Concept of the Brigade of Midshipmen is a set of principles, not a code of specifics, and the guidelines or principles are broad and general, an individual responsibility becomes the obligation of every midshipman. Each midshipman must know the Honor Concept, its principles, and its application. In the situations which he encounters daily, he must make the decisions and take the actions that are consistent with the Honor Concept.

2. Certain questions are to be considered when one midshipman observes another committing an honor violation. They are:

a. Is the violation the first you have ever seen him commit?

b. How serious is the violation in your own mind?

c. When all is considered, does the man who has committed the violation deserve to continue as a member of the Brigade?

3. A midshipman observing another in a dishonorable act may report the incident to the Midshipman Honor Organization directly, may prefer to reaffirm his observations and gain the offender's viewpoint through personal questioning prior to reporting him, or may choose to caution the offender personally. The responsibility for proper action rests with each individual member of the Brigade.

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0405. INVESTIGATION

1. A midshipman who decides to report a suspected honor offense will first consult the Company Honor Representative of his class. The incident shall then be reported in writing by the accuser to the respective Class President (Chairman, Class Investigating Committee). The Chairman, Class Investigating Committee, will forward the accusation to the Chairman, Honor Committee, who will determine whether or not the matter merits further investigation. If the Chairman, Brigade Honor Committee, determin that a possible honor violation has occurred, he will have his Vice-Chairman designate a First Class Midshipman Investigating Officer for first or fourth class cases and refer the case back to the appropriate Class President for investigation.

2. The Midshipman Investigating Officer will originate a statement of charges, then present the charges to the accused. Before obtaining any oral or written response from the accused, the accused will be afforded the opportunity, if he desires, to choose a Midshipman Advisor who is a Company Honor Representative. The accused may respond in writing to the charges or may elect to make no statement.

3. The Midshipman Investigating Officer will inform the First Class Company Honor Representative of the accused of the case pending. Upon completing his inquiry, the Investigating Officer will report his findings to the Class Investigating Committee. After hearing the matter the voting members of the Investigating Committee may by majority vote decide to terminate the matter or to refer the charge to the Honor Committee.

4. The Chairman, Honor Committee, will convene his Committee as soon as possible after cases have been referred to him by Class Investigating Committees. The Midshipman Investigating Officer will present the case to the Honor Committee. Procedures for Honor Committee meetings are outlined in Commandant of Midshipmen Instructions.

5. A two less than unanimous vote (4 of 6, 5 of 7, 6 of 8, 7 of 9) by the Honor Committee present and voting is required for a finding that the accused has violated the Honor Concept. If such a vote is achieved, a report of their findings and recommendations will then be

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rwarded to the Commandant of Midshipmen, via the Head, Executive partment, indicating the final vote and recommended action. The commendations will be in writing.

6. The identity of the accused will be protected until final ction in a case is assigned and published. In any cases terminated at y midshipman level all records shall be destroyed, except a numerical unt as to the number of cases considered.

06. HONOR INFRACTIONS OBSERVED BY OTHER THAN MIDSHIPMEN

1. It is intended, with very rare exceptions, that all midshipmen nor infractions observed or suspected by commissioned officers or ivilian faculty members assigned to the Naval Academy be submitted to he Brigade Honor Committee. Disposition of cases suspected of involving nor as well as additional conduct infraction(s) will be determined by he Commandant of Midshipmen on an individual case basis.

2. Two representatives from each Department of the Naval Academy ill act as liaison officials between the Brigade Honor Committee and heir respective departments. They will be responsible for informing he members of their departments of the Honor Concept, their responsibilities and the procedures concerning possible honor violations. The wo representatives will further act as a line of communications between he Brigade Honor Committee and their respective departments. One of hese two persons will be the department head. The other will be selected, ith the consent of the department head and the selectee, by the Brigade onor Committee. The selected representative, for the academic departments, ill preferably be a senior civilian professor. In the case of the representative who is not the department head, his line of communications will e via his department head. The Chairman, Brigade Honor Committee, will ppoint a first class Company Honor Representative to visit each Academic epartment on a continuing basis. He will act as liaison and further keep he department informed on honor matters.

3. Faculty members and officers of the departments of the Naval cademy who observe or suspect a possible honor infraction committed by a midshipman will submit in writing, on the form specifically devised for this purpose (see enclosure (6) of COMDTMIDNINST 1610.7 series) the pertinent facts of the case. This will be delivered to the Chairman, rigade Honor Committee via: (1) Department Liaison Officer, (2) Department Head (if applicable), (3) Head of the Executive Department, (4) Officer Representative, Brigade Honor Committee. When a situation of this nature occurs, it should be considered to be of the highest priority. Furthermore, the report of a suspected honor violation should be delivered by hand within the chain of communications and marked in such a manner that will ensure rapid handling and its being seen only by the addressees in the chain. Addressees in the chain will not evaluate or comment on the case in forwarding but merely indicate that they have noted the case.

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4. The Vice-Chairman, Brigade Honor Committee, will, upon receipt of the report of a possible Honor Violation observed by other than midshipmen, ensure that a Midshipman Investigating Officer is assigned in accordance with Article 0403.2. The investigation will follow the procedures set forth in Article 0405, paragraphs 2-6 inclusive. If eligible, the midshipman assigned as liaison to the department where the possible violation occurred will be appointed as Investigating Officer for the case.

5. The Midshipman Investigating Officer will present the written statement of the reporting official to the Brigade Honor Committee during the course of its hearing of the case. If this report is carefully prepared, there should be no need for further information. However, if clarification or amplification of the reporting official's statement appears to be necessary or desirable, the Midshipman Investigating Officer will be directed by the Chairman to request the reporting official to prepare an amplifying written statement for presentation to the Honor Committee by the Midshipman Investigating Officer. In unusual cases, it may be necessary for the reporting official to appear in person before the Brigade Honor Committee, but such appearances will be avoided if at all possible. In no case will the reporting official be required to appear before a Class Investigating Committee.

6. If the Brigade Honor Committee determines the Honor Concept has been violated the finding along with recommendations will be submitted to the Commandant for disposition. After final disposition the findings will be communicated back through the same chain of communications used in transmitting the suspected offense to the Brigade Honor Committee. The same care will be exercised to ensure that the findings will only be divulged to the addressees. If no honor violation has been committed, then the Chairman, Honor Committee will brief the accuser on the findings and associated reasoning.

0407. DETAILED PROCEDURES

1. Detailed instructions for class investigating and Brigade Honor Committees, sample charge sheets, and sample report forms are found in current COMDTMIDN INSTRUCTIONS 1610.7 series.

2. Instructions pertaining to honor matters will be promulgated by COMDTMIDNINST 1610.7 series, USNA Instruction or Brigade Honor Committee notice.

EXHIBIT OLN-252

UNCLASSIFIED

[redacted]

Oliver L. North
National Security Council
RM 392
OEOB
Washington, D.C.

July 2, 1984

Dear Ollie:

Privacy

[redacted] Your commitment to this country, to truth and justice, an to man's freedom is an example that so many people can and should learn from. Your dedication is an inspiration to me and many others. Somewhere these ideals were instilled in you; I wouldn't be surprised if at least some of them come from your far

Attached for your information is the information on Grenada with the appropriate references crossed out. Hope it is of some use in future planning.

As for the toys we talked about, I will be having a meeting this week to learn what clarifications are needed.

Privacy

You may remember we talked briefly about [redacted]. Ilearned this weekend he has a "very high source" at the NSC who is feeding him information about Central America and possibly covert actions elsewhere. [redacted] is working on a piece on the Agency and its involvement in covert action. He will do neither the Agency or the Administration any favors. More importantly he is not to be trusted for he will take that trust and use it for his own good and not care who he hurts. Just thought I'd give you fair warning.

I spoke with [redacted] i[redacted] this morning. As can be expected, they are beginning to feel the heat from the decision to cut the aid. [redacted] is back peddling [redacted] Granted they [redacted] before the vote, but it is systematic of the feelings i[redacted]id say the media is playing on the decision and it is not helping morale. I did tell him there are people doing all they can to try and get them some help, but they have to understand between now and October it will be difficult.

I just returned from a meeting with the individual who has access to the contacts for the toys. If this is to be a reality, he would like a meeting with you. He does not know whom I'm dealing with and won't until it is necessary. He believes it can be done, but as you suspected there probably will be some quid pro quo. It may only be assurances that come December or January certain equipment could be purchased from here or possibly even from a third country. He does not speak for the party in question, but does have an idea what they might want.

Would suggest a meeting to hear him out, then the next move can be figured out. He will not make contact until there is an indication this possibility is known within certain circles. Will be happy to meet anytime and anyplace. Would suggest a neutral sight.

Tal-ked· wi My typewriter went amok.

Partially Declassified/Released on [illegible]

UNCLASSIFIED

633

3KD/F81 1-2

UNCLASSIFIED

I talked with our friend in Florida this afternoon and he gave me the following information:

Immediate needs for the next 2 weeks: This would pay for rentals, food, medicine and certain necessities such as phone bills.	$100,000
They are figuring on $.50 perday per man for food as the majority are inside. Based on 10,000 people one month costs are:	$150,000
If they lowered the level of military actions they could get by on $5.00 a day per man for firecracker costs. Per month this is: He believes this is the minimum.	$1,500,000

As of yet nothing has come through from his fundraiser. To quote him, "Something must have got screwed up somewhere."

He plans on going to [redacted] on Thursday and probably won't be back up here for 2 weeks. Said if he is needed for a meeting with the individual on the toys, he would come up before.

Told him about the [redacted] idea. Thought it was good as he has never talked with them about money, but he did meet with them last year. His trip this weekend got him a pat on the back but according to him no money. "They are broke."

Any ideas and I'll be glad to help where possible. Would suggest a meeting does take place at the soonest about the toys. Obviously off-the-record with no promises, just feelers.

To close on a positive note, may I just say it is a pleasure and an honor working with you. I hope something positive comes out of all of this, but if nothing does we will have at least tried, although in this case that will not be good enough.

You and your family are in my prayers.

All the best,

P.S. Costs for refugees are estimated at $6.00-$10.00 a person per month. They estimate there are 7,000 refugees to look after. Therefore per month costs are between $42,000-$10,000.

UNCLASSIFIED

EXHIBIT OLN-253

SECRET

MEMORANDUM 6489

NATIONAL SECURITY COUNCIL

N 46204

August 28, 1984

SECRET

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: Official Travel [redacted] on August 31, 1984

In discussions today among the DCI, Clarridge, and North, it was agreed that immediate operational/logistics problems in the FDN needed to be addressed directly with Adolfo Calero. Calero suggested [redacted] if he could not make it to the U.S. by the end of the week, North could meet with him on Friday in [redacted] Motley has suggested that, if Calero cannot come to the U.S. as a consequence of recent reversals, North could accompany [redacted] to and [redacted] on Friday, August 31, 1984.

By agreement with the DCI and Motley, North would not meet with [redacted] officials on this trip. Transportation would be via military aircraft accompanying [redacted] NSC would only bear the cost of meals as outlined in the Travel Authorization Form at Tab I.

RECOMMENDATION

That you authorize travel orders to be cut for the trip described above. The orders will only be executed if Calero cannot come to the U.S.

Approve RCM Disapprove ____

Exercise absolute "stealth." No visible meeting. No press awareness of your presence in area.

Attachment
Tab I - NSC Travel Authorization Form

EXHIBIT
OLN-253

Partially Declassified/Released on ____
under provisions of E.O. 12356
by B. Reger, National Security Council

SECRET

SECRET
Declassify: OADR

(1767)

NSC STAFF TRAVEL REQUEST

UNCLASSIFIED

DATE: August 28, 1984

1. TRAVELER'S NAME: Oliver L. North

2. PURPOSE(S), EVENT(S), DATE(S): To meet with Adolfo Calero in order to discuss next steps with the FDN. Will accompan[redacted] party to and [redacted] on Friday, August 31, 1984.

N 46205

3. ITINERARY (Please Attach Copy of Proposed Itinerary):

DEPARTURE DATE Fri, Aug 31 RETURN DATE Fri, Aug 31

TIME 0400 TIME 2300

4. MODE OF TRANSPORTATION:

GOV AIR XX COMMERCIAL AIR __ POV __ RAIL __ OTHER __

5. ESTIMATED EXPENSES: (see attached sheet)

TRANSPORTATION __ PER DIEM XX OTHER __ TOTAL TRIP COST __

6. WHO PAYS EXPENSES: NSC XX OTHER __

7. IF NOT NSC, DESCRIBE SOURCE AND ARRANGEMENTS: Not applicable.

8. WILL FAMILY MEMBER ACCOMPANY YOU: YES __ NO XX

9. IF SO, WHO PAYS FOR FAMILY MEMBER (If Travel Not Paid by Traveler, Describe Source and Arrangements): Not applicable.

10. TRAVEL ADVANCE REQUESTED: $ 47.70

11. REMARKS (Use This Space to Indicate Any Additional Items You Would Like to Appear on Your Travel Orders):

12. TRAVELER'S SIGNATURE:

13. APPROVALS:

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Continuation Sheet (NSC Travel Authorization Form)

N 46206

Travel is via military aircraft (accompanying [redacted] party).
No expense to the NSC.

[redacted]
$20.00 (per diem) + $33.00 (foreign travel) = $53.00 (total)

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Advance requested = $47.700

UNCLASSIFIED

EXHIBIT OLN-254

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

TOP SECRET/CODEWORD

September 2, 1984

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER NORTH

SUBJECT: FDN Air Attack of 1 September (U)

EXHIBIT
OLN-254

Shortly after noon on 1 September, three FDN Cessna O-2 (push-pull) aircraft, launched from the FDN Resistance Base [redacted] attacked the Sandinista Military School at Santa Clara, Nicaragua with 2.75in. rockets (see map at Tab A). Accompanying the strike aircraft, for command and control, was a Hughes 500-D helicopter [redacted] Aboard the helicopter was a U.S. private citizen who apparently was killed when the helicopter was downed by Sandinista small arms/AA fire. We have no evidence that SA-7 missiles were fired at any aircraft. ~~(TS)~~

This operation was not sponsored/directed by or briefed to any of our CIA personnel [redacted] In discussions with Adolfo Calero both last night and this morning, it is evident that the Resistanc Forces launched the attack after being goaded by the non-official Americans on-scene at the FDN Headquarters [redacted] Calero, when he left [redacted] on Friday, 31 August left instructio that this operation should not be conducted until he had talked to us. At our meetings with Calero on 1 September, both Clarridge and North urged that the operation be postponed because the rockets necessary for the attack had to be saved for potential use against the next arms delivery. Calero agreed, and in discussions with him this morning, indicated that the attack was undertaken without his permission. He has further expressed concerns that the growing presence of "non-official assistants" will increase the likelihood of similar incidents. From a military perspective the loss of the only operating FDN helicopter on the Northern Front is a serious blow. The only remaining helicopter available to the Resistance Forces is located at a small private field [redacted] It may therefore be necessary to ask a private donor to donate a helicopter to the FDN for use in any upcoming operation against an arms delivery. We are knowledgable that FDN resources are not adequate to purchase a helciopter at this time. ~~(TS)~~

~~TOP SECRET~~
DECLASSIFY: OADR

~~TOP SECRET~~

53c

- Contra Military

TOP SECRET

[redacted] Calero has information from his sources on the ground that there were no civilians casualties and that other foreign Sandinista advisors (Monteneros [Argentine terrorists] and Chilinos) may also have been killed when rockets struck the instructors' barracks. This information is at variance with the Sandinista press reporting we have already seen (Tab C). (TS)

This afternoon the FDN will announce from [redacted] the attack was indeed undertaken and that Cubans were killed. A summary of the FDN press statement is at Tab D. (S)

Given the President's trip this afternoon, there will undoubtedly be numerous questions by the media traveling with the party. We should have no official statement on the event, but a properly worded and used backgrounder could be helpful in emphasizing our need to re-involve the USG in the Resistance effort. Since our briefings to the SSCI and the HPSCI, we have emphasized to members of Congress that the lack of funding creates a situation in which the USG has very little, if any, control over the FDN. A carefully worded press backgrounder could help reap some small benefit from this unfortunate event. Proposed press guidance is attached Tab I. (C)

RECOMMENDATIONS

1. That you brief the President on this action using the points above.

Approve ________ Disapprove ________

2. That you approve the use of the press statement and guidance at Tab I and pass to Bob Sims.

Approve ________ Disapprove ________

3. That you approve my approaching a private donor for the provision of a replacement civilian helicopter for use on the Northern Front.

Approve ________ Disapprove ________

~~Let's wait a week or two.~~

I don't think this is legal.

Attachments:
Tab I USG Press Guidance
Tab A Map
Tab B [redacted]
Tab C Sandinista Press Releases
Tab D FDN Press Statement (Summary)

TOP SECRET

UNCLASSIFIED ~~TOP SECRET~~

7 May 1987

EXHIBIT OLN-255

UNCLASSIFIED

November 7, 1984

N 7858

TOP SECRET

EYES ONLY

ACTION

EXHIBIT OLN-255

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: Clarifying Who Said What to Whom

ADM Poindexter indicates that the Director called you expressing concern that I had discussed with a Mr. Myers: Calero, [redacted] MIGs, dollars, etc. The following chronology may be helpful in clarifying the situation.

Monday, November 5 (p.m.). Calero called from Miami, using appropriate one-time-pad, expressing grave concern about delivery of HIND-D helicopters at El Bluff. He was very distressed that the Agency had not forewarned the FDN of the delivery and that by the time he learned of it from his own assets, it was too late to position forces in an effort to interdict/destroy the helicopters. It was obvious that Calero was well aware of the threat the MI-24's pose to his forces in the field. Calero indicated that he was undertaking plans to "take-out" the HINDs and asked that he be given all possible information on the location of the helicopters. I told him I would try to get the information to him.

Later this same evening, I called Bob Vickers (NIO for Latin America) and GEN Paul Gorman and asked them for all we had on the location of the HIND-D's.

Tuesday, November 6 (a.m.). [redacted]

Subsequent to this call, I called Calero, again using appropriate code, and advised that the HINDs had been moved [redacted] and could he provide any HUMINT assets on-scene. At this point Calero suggested that he come to Washington to meet with me for a few hours prior to departing on Wednesday (Nov 7) for Tegucigalpa. I agreed to meet Calero here in Washington later in the afternoon.

#161

TOP SECRET
Declassify: OADR

EYES ONLY

5/7/82 UNCLASSIFIED

EYES ON

N 7859

Tuesday, November 6 (p.m.). [redacted] the new Central American Task Force (CATF) Chief (who has recently replaced [redacted]) called to provide additional information [redacted]. During the course of his call, he indicated that [redacted] Calero was coming to Washington unexpectedly. I told [redacted] that Calero would be meeting with me and invited him to sit in. We discussed the matter and agreed that [redacted] would meet separately with Calero in view of the Agency's determination that Section 8066 of the CR forebade the Agency from providing any information or assistance to the FDN.

Calero and I met privately mid-afternoon. During the meeting, Calero advised me that he had undertaken a plan to "borrow" a [redacted] T-33, which would be used to strike the location where the HINDs were being assembled. He indicated that the T-33 would be painted with Sandinista Air Force markings and that the aircraft would probably have to land at [redacted] on its return leg. Calero asked for detailed information on the location of the HINDs and the Sandinista anti-air defenses. We also discussed longer-range planning for a Calero-Cruz coalition and the requirements for military cooperation with the MISURA in the seizure of Puerto Cabezas.

The meeting with Calero was terminated by the 5:00 p.m. CPPG and Calero returned to Miami on a 6:30 p.m. flight. After the CPPG, I again called [redacted] and asked for any further updates on the HINDs and new info on the MIG's. [redacted] indicated that he was unable to meet with Calero on this trip due to the short lead time in notice of his arrival, [redacted]

[redacted] then asked if I was aware of a tasking to the NIO for an assessment of the Resistance capabilities. I told him that I was and that this was a fall out of the CPPG. I noted concern that State was of the opinion that the Resistance had become largely ineffective since our funding had run out in May 1984. [redacted] shared my assessment that quite the opposite was true and that the Resistance obviously had considerable outside support. I asked [redacted] if he was aware of the source of the Resistance funding. He told me no, that CIA had been trying to determine this, but that it was obviously substantial. I told [redacted] that it was important that the SNIE reflect the fact that there was substantial outside support which had continued for some months and showed no signs of abating. [redacted] agreed that this was the case. I asked him if the dollar amounts could be quantified. [redacted] responded that they were spending at least $1 million per month. I told [redacted] that the SNIE should include this estimate.

During this discussion, I apprised [redacted] of Calero's plan to "borrow" a [redacted] T-33 for an attack on the HINDs. [redacted] agreed with me that this was a high-risk operation, but that there did not seem to be any real alternative if the FDN were to survive. At the conclusion of our discussion, we briefly reviewed the prospects for a liberation government in which Cruz and Calero would share authority. [redacted] and I specifically agreed that our discussion would not be shared.

Wednesday, November 7. GEN Paul Gorman called at 1200 to relay new information on collection efforts for MIGs and the HIND aircraft.

At 1300 Calero called from Tegucigalpa again, using appropriate codes, and requested any available information on the HINDs and anti-air defenses [redacted] He indicated that he had tasked one of his column leaders to insert a man into [redacted] to observe [redacted] Calero advised that he would dispatch his pilot [redacted] to [redacted] as soon as he received intelligence on the HINDs.

At 1330 VADM Moreau confirmed [redacted] requests we had made and the modifications [redacted]

At 1345 [redacted] called to report additional Honduran airspace incursions by Sandinista helicopters in the vicinity of Cerro la mole (southwest of Tegucigalpa). I again noted the need for additional intelligence on the HINDs and that Calero was moving to implement the [redacted] T-33 option.

Thursday, November 8. At 1445 ADM Moreau delivered [redacted]

At no time did I discuss with [redacted] financial arrangements for the FDN. At no time did I indicate that Calero was attempting to attack the MIGs. I specifically told [redacted] that Calero was attempting to collect information on the MIGs [redacted] and would pass this information to a CIA agent [redacted] if it was available.

RECOMMENDATION

That you authorize me to continue as planned with Calero.

Approve _____ Disapprove _____

EXHIBIT OLN-256

UNCLASSIFIED

[redacted]

N 42468

THE WHITE HOUSE
WASHINGTON

JMP
Pls hold on to this.

[redacted]

Partially Declassified/Released on 22 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

EXHIBIT
OLN-256

[redacted]

12/12/85

1187

Admiral —

Am returning to you from Ron's file.

Wil

UNCLASSIFIED

POF #3.2
4/18/87
1K

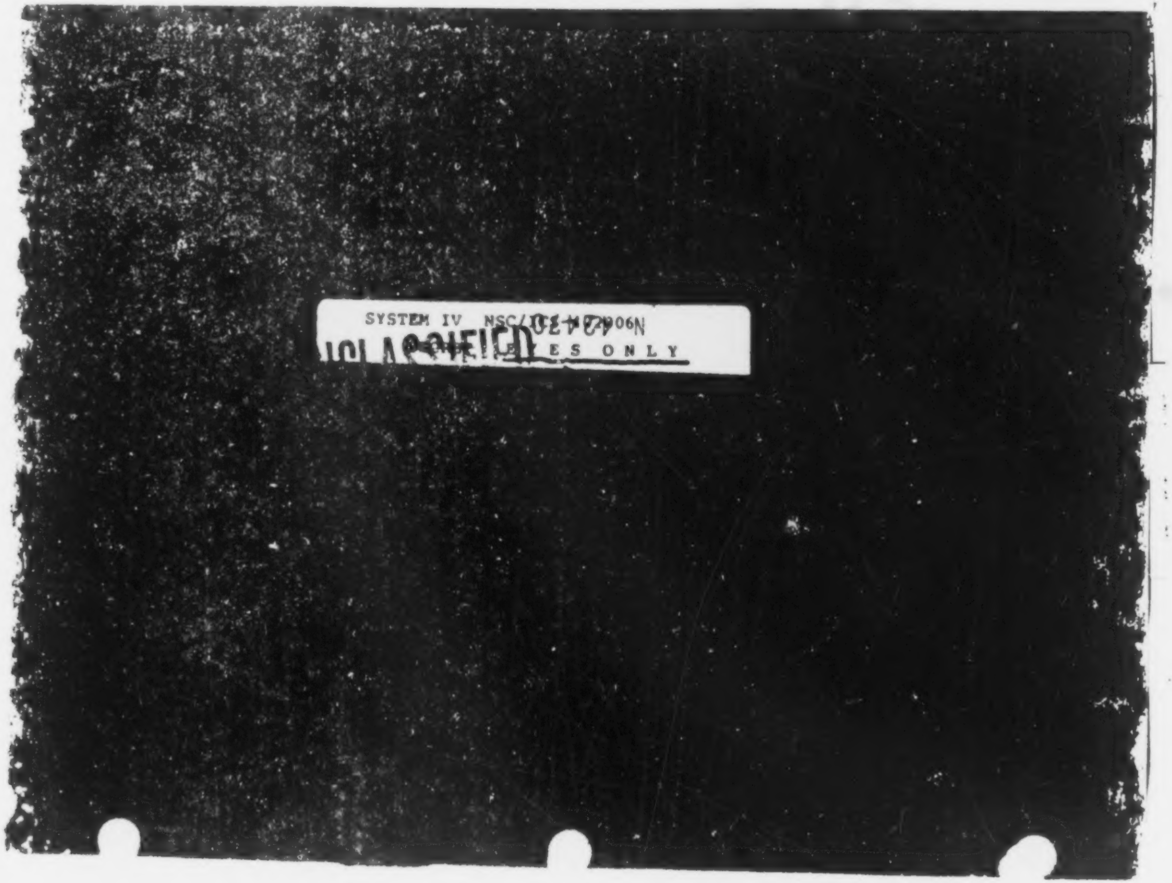
TO: Robert C. McFarlane

EYES ONLY

4 24/69

FM: Oliver L. North

SYSTEM NSC/ICS-402006



SYSTEM IV NSC/ICS-402906N

42470

UNCLASSIFIED

EYES ONLY

UNCLASSIFIED

[redacted]

N 42471

National Security Council
The White House

System # SyIV
Package # NSC/ICS 402006

	SEQUENCE TO	HAS SEEN	DISPOSITION
Paul Thompson			
Bob Kimmitt		JP	
John Poindexter	1		
Tom Shull			
Wilma Hall			
Bud McFarlane	2		
Bob Kimmitt			
NSC Secretariat			
Situation Room			
JP	3	A	

[redacted]

I = Information A = Action R = Retain D = Dispatch N = No further Action

cc: VP Meese Baker Deaver Other

Should be seen by: (Date/Time)

I agree. [illegible] suggestion [illegible] goals for [illegible] agenda [illegible] schedule [illegible] time for me today.

COMMENTS

UNCLASSIFIED

75-544 989

Bud,
I learned of this through Ollie's report. I don't think Constantine

To	Name and Address	Date	Initials
1	Robert McFarlane		
2			
4			
5			
6			

X	ACTION		FILE
	APPROVAL		INFORMATION
	COMMENT		PREPARE REPLY
	CONCURRENCE		RECOMMENDATION
	DIRECT REPLY		RETURN
	DISPATCH		SIGNATURE

REMARKS:

cc: Oliver North (#2 and 3)
Jim Radzimski (#4)

~~SECRET~~ EYES ONLY

UNCLASSIFIED ~~SECRET~~

N 42472

NSC/ICS CONTROL NO. 402006

COPY NO 1 OF 4

HANDLE VIA SYSTEM IV CHANNEL ONLY

NSC INTELLIGENCE DOCUMENT

Warning Notice
Intelligence Sources and Methods Involved
NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

UNCLASSIFIED ~~SECRET~~

~~SECRET~~ EYES ONLY

~~SECRET~~

MEMORANDUM

NATIONAL SECURITY COUNCIL

SYSTEM IV
NSC/ICS-402006

~~SECRET~~ UNCLASSIFIED
ACTION

December 4, 1984

N 42473

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: Confusion in the Nicaraguan Resistance

Adolfo Calero advises that this weekend a three hour meeting with held among Bosco Matamoros (local FDN representative), Constantine Menges, Jackie Tillman, and Bob Reilly. According to Calero, the purpose of the meeting was to address the strategy for Congressional and public diplomacy action for a resumption of USG support to the Resistance. Calero reports that as a result of this meeting:

-- Matamoros sent a 22 page telegram (hopefully encoded) to FDN headquarters in [redacted]

-- The telegram specified that North was no longer involved in this endeavor and that a more forceful effort would be made to reinitiate funding between now and February.

-- Congressional contacts were being worked out and a detailed strategy would be forthcoming.

-- It was obvious that the State Department was opposed to any resumption of assistance, but that Kirkpatrick, Casey, and Weinberger would ensure that the program obtained renewed support.

Calero was pulled from the field in Nicaragua to receive this message. He was, to say the least, distressed and confused. Not only was he placed at risk in moving back [redacted] he feels that the mixed signals he is receiving portends serious problems within the Administration. He notes that [redacted] requested his urgent presence last week in [redacted] for a meeting with a "high-level" U.S. official and that the meeting did not take place. Aside from these "cryptic orders [redacted] he receives no advice, intelligence, or support. Now he is being "told of discord" about the "worthiness" of the FDN and the possibility that the Administration may not ask the Congress renew support.

~~SECRET~~
Declassify: OADR

~~SECRET~~ UNCLASSIFIED

~~SECRET~~

~~SECRET~~ UNCLASSIFIED 2

N 42474

Up to this point, Calero has been told that we had every intention of making another try at the Congress. He is fully aware of the constraints imposed in the Continuing Resolution, but has never been apprised of any internal debate on the merits of whether or not we would pursue a further attempt to obtain funds for the Resistance movement. While I may not have been fully open with him on this matter, it did not seem to be relevant to his other important tasks given current funding arrangements. Yesterday's missive from Matamoras has now sown doubt which did not need to exist.

Calero has too much on his mind to be burdened with our internal differences. It is unfortunate that we now seem to have so many voices speaking for our intentions. Before this goes any further, it would seem appropriate to clarify the roles various people will be playing in the days ahead.

RECOMMENDATION

That you review the points above and indicate your direction on who should be saying what to whom.

Approve _____ Disapprove _____

UNCLASSIFIED

~~SECRET~~ ~~SECRET~~

EXHIBIT OLN-257

SUBJECT: Targeting

" 18784

Stark just showed me a copy of the new proposed target list, citing [redacted] (which I thought Gabriel said would be hit as a matter of course) as a first priority. I don't think this is acceptable. Also, I don't see the logic in striking [redacted] It would seem to me the reverse sequence should be followed, both with regard to the [redacted] What device would you like us to use to get greater clarity on this? Also, the Saudi arms sales issue was supposedly discussed at an LSG last week. Do you know where this stands? Is the next step that of Bud speaking to Bandar?

MSG FROM: NSDRF --CPUA TO: NSRCM --CPUA 01/22/85 12:27:21
To: NSRCM --CPUA

EXHIBIT
OLN-257

-- SECRET --

NOTE FROM: DONALD R. FORTIER
SUBJECT: Contra Project

Ollie just debriefed me on your trip. When I meet with Hamilton and Fascell (which will be later this week, unless you see a reason for me to postpone) I would like to begin by saying you wanted me to give them the benefit of certain observations you drew on the basis of your recent talks in the region. Then I would stress the unanimity of view on the growing Sandinista challenge; the skepticism over successful negotiation in the absence of pressure; the willingness of regional leadersto begin providing quiet support for the Contras; and the overwhelming belief that in some way the US has to get back in the game. Beyond that, I will for now simply confine myself to taking soundings (following the outline I gave you of my talks with Durenberger). At some point soon, however, we need to decide more clearly what end result we want to steer the consultations toward. I still like the option, if it can be made to work,

Ollie believes we need to flag the possible option of a finding permitting us to seek third country support. John and I are both uneasy about raising this. Finally, at the right moment, it will be important to find some mechanism for bringing key Hill leaders together with regional leaders to hear first hand what walking away from the Contras would mean. When I had lunch with Lugar's chief of staff the other day on the structure of the Senate hearings, he said this would be the single most effective action we could take.Let me know if this is not how you want me to proceed.

Fortier File
12/23/86
RWL

cc: NSJMP --CPUA

[redacted] [redacted]

5 May 198

[redacted]

[redacted]

(183)

EXHIBIT OLN-258

My Friend:

~~This brief letter is being delivered via a trusted courier who has no knowledge of the contents but who can help carry out some of what this letter is about. He should not be made aware of the specific details in this letter.~~

along the border opposite the [illegible]

~~The situation in the northern area of Nicaragua is becoming more and more delicate.~~ The Sandinistas ~~continue a massive build-up and~~ now have between 45,000 and 60,000 troops along the border in the area as ~~shown on the enclosed map~~. Nearly one third of the entire EPS forces ~~army~~ is now in the vicinity of the frontier. The following points are relevant:

-- The Sandinistas have moved additional helicopters and fixed wing aircraft to Esteli. They also have accepted delivery on two more MI-8 helicopters at Corinto last week.

-- They have instructed their units to operate in the border region in small task forces and to continue mining the trails coming into Nicaragua from the border bases. They are telling their small unit commanders that the next 60 days are critical. ~~I continue to believe that~~ Major rocket and artillery attacks against Las Vegas, Banco Grande, and La Lodosa are likely ~~imminent~~. ~~I also believe that~~ HINDS and ~~the~~ special troops are also likely to be used for ~~will make~~ raids against these bases. ~~At the very least, they~~ will be used in the next few weeks against the FDN task forces operating in the northen regions.

On the brighter side, the following information, some of which you may already know, is very important:

-- [redacted] has agreed to approve the arrival of FDN supplies on a blanket approval basis. They are willing to provide end-user certificates for munition orders. ~~We need to get some in a hurr~~y.

-- They are willing to continue to loan the FDN munitions when your supplies get unacceptably low and to sell essential quartermaster supplies.

-- The Hondurans will also make available trucks to move FDN supplies from points of arrival all the way to Las Vegas.

-- [redacted] is going to meet next week with the [redacted] Minister of Public Works [redacted] to arrange for the repair of the road between Las Vegas and Cifuentes. Supposedly, they will charge only for the cost of fuel and drivers.

And now the best news of all:

~~Next week, a sum in access of $20M will be deposited in the usual account. While this must be husbanded carefully, it should allow us to bridge the gap between now and when the vote is taken and the funds are turned on again.~~

EXHIBIT
OLN-258

BKD. [illegible]
12-[illegible]
NS

So that we have a plan, I propose the following steps as highest priority:

The forces in the northern part of Nicaragua need to be dispersed so that they are not caught in the firestorm as the Sandinistas intend. On the map, I have marked several areas in yellow where there are no Sandinistas and good protection from the helicopters and bombing raids. If the high ground can be be guarded, then those who harbor in those areas will be safe. The Sandinistas cannot endure much more than 60 days in the northern region without seriously complicating their own resupply problems.

Meanwhile, the forces and volunteers who have arrived at Las Vegas can be outfitted, provided with some training, and inserted into the eastern region marked in yellow as a means of reducing the population in the Honduran camps. Next week, I will try to convince [redacted] and the others that they should allow 2,000 FDN at a time in the border camps. If a regular resupply program can be established using what will be deposited next week, we can start a regular logistics program of one flight every 10-15 days and the steady movement of supplies and ammunition to the forward bases.

Most important is saving the force from what I believe will be a serious effort to destroy it in the next few weeks. While I know it hurts to hide, now is the time to do it. While they are hiding, the man who is carrying this message can start the regular resupply process. I believe it would be wise to dedicate as much as $9-10M for nothing but logistics. To coordinate a major effort such as this, I strongly urge that you bring aboard a logistics expert who is both knowledgeable and trusty. The courier should be able to help with this.

The battle plan for the near future should involve getting as many as possible out of the border camps and hiding them perhaps in the areas I have shown, while the logistics program is established. Once the regular resupply system is in place and the troops familiar with a rotation system of 1,500-2,000 being resupplied each week, attacks can be launched with great vigor against the Sandinista rear, hitting them hard as they phase down in frustration from their current operations and striking at selected strategic targets with your enhanced capability.

This new money will provide great flexibility we have not enjoyed to date. I would urge you to make use of some of it for my British friend and his services for special operations. I can produce him at the end of this month. Lastly, we may have to very soon assume the cost of what the company is providing to

Arturo. You and I both recognize his value and limitations. Some in our Congress are aware that the company is paying him and have threatened to expose the connection. This could be devestating to our forthcoming campaign to restore the funding. I will find out how much he is getting and let you know, but it seems as though something should be set aside for this purpose.

Finally, we ought to look at a maritime capability and something on the southern front. I had a very useful meeting with the Security Minister of the place down south. He has agreed to meet with you very discreetly, I will let you know when this can be arranged. He is anxious to help, but only if it can be done without exposing him or making operations visible in his country.

Request you advise me soonest regarding the deposit and destroy this letter after reading. The map can be passed Enrique, with my best wishes. Please do not in any way make anyone aware of the deposit. Too much is becoming known by too many people. We need to make sure that this new financing does not become known. The Congress must believe that there continues to be an urgent need for funding.

Warm regards,
Steelhammer

EXHIBIT OLN-259

UNCLASSIFIED TOP SECRET 1418

EXHIBIT OLN-259

March 1, 1985

~~TOP SECRET~~ N 40574 EYES ONLY

MEMORANDUM FOR VADM ARTHUR S. MOREAU, JR.

FROM: OLIVER L. NORTH

SUBJECT: Info for the Chairman, JCS

22 June 1978

Had I gone on the trip as planned, I would have addressed certain issues with the Chairman regarding the resistance and those who are supporting same. The following points pertain:

-- There are significant indications of a major attack against the resistance bases [redacted] in the near future.

-- Steps being taken by the resistance to reduce the population at [redacted] are appropriate and well timed.

-- Calero and Bermudez have been advised that the objective in the next 30 to 60 days is to preserve the force [redacted]

-- The principal support [redacted] derives from the following:

  - [redacted] has guaranteed that the resistance can continue to deliver supplies through [redacted] that the road [redacted] will be repaired, and end user certificates will continue to be provided. Major munitions deliveries will occur on or about March 9 (aircraft) and March 25 (ship).

  - [redacted] belief that we will continue to support the resistance and help [redacted] in its current economic crisis. [redacted]

-- [redacted] should be told that we are in the process of expediting our delivery of items on FMS backlog.

-- [redacted] should be advised that we will be coming to him the next 10 days to enhance [redacted] interdiction efforts.

OLN off 6&21-33

~~TOP SECRET~~ UNCLASSIFIED TOP SECRET EYES ONLY

Declassify: OADR

1202

UNCLASSIFIED
TOP SECRET

N 40575

-- [redacted] has provided maintenance and storage for both the FDN and ARDE. [redacted] is justifiably concerned that any further support (e.g., end user certificates) would be detected by GAO investigators and result in a cut-off of U.S. security assistance [redacted]

-- There is considerable sympathy for the FDN among [redacted] particularly [redacted] Both have been long-term supporters of the resistance and our known well by Calero. Calero met with them earlier this week. A simple word support for Calero from the Chairman would be useful.

-- Tomorrow's announcement [redacted] of resistance unity is a most significant event. We need to note that in as many different places as possible. If the opportunity arises, it would be helpful if the Chairman could respond to a question on the matter with something similar to the following:

> "The announcement by the unified resistance that they all endorse a common set of objectives and principals is very significant. Our own revolution began with a similar declaration. It is important to note that those who have endorsed this document represent the full political spectrum in Nicaragua--all except those supported by the Soviets and their surrogates."

EXHIBIT OLN-260

To	Name and Address	Date	Initials
1	Robert McFarlane		
2			
3			
4			
5			
6			

XX	ACTION		FILE
	APPROVAL		INFORMATION
	COMMENT		PREPARE REPLY
	CONCURRENCE		RECOMMENDATION
	DIRECT REPLY		RETURN
	DISPATCH		SIGNATURE

REMARKS:

cc: Oliver North (#2 and 3)
Jim Radzimski (#4)

~~SECRET~~

N 40746 UNCLASSIFIED SECRET

1441

NSC/ICS CONTROL NO. 400323 Follow-on

COPY NO 2 OF 4

HANDLE VIA SYSTEM IV CHANNEL ONLY

NSC INTELLIGENCE DOCUMENT

Partially Declassified/Released on 22 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

1200

EXHIBIT
OLN-260

Warning Notice
Intelligence Sources and Methods Involved
NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

owoff for 21-1
4/1/87
A

UNCLASSIFIED SECRET

~~SECRET~~

MEMORANDUM

UNCLASSIFIED

NATIONAL SECURITY COUNCIL

SYSTEM IV
NSC/ICS-400323
Follow-on

April 1, 1985

N 40747

~~SECRET~~

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: Using the March 1 San Jose Declaration to Support the Vote on the Funding for the Nicaraguan Resistance

In accord with earlier instructions, we advised State, CIA, and Defense that a draft Presidential report to the Congress should be prepared with three separate Presidential Determinations: lethal, non-lethal, and non-specific. We noted that a final decision on the appropriate Presidential Determination would be based on the effects of a major PR campaign waged by outside entities and on a final meeting with the Congressional leadership just prior to submitting the report.

A meeting was also held with Calero, Cruz, and Robelo in which:

-- they agreed that, if "non-lethal" aid was all we could get from the Congress, they would make such a request publicly in a meeting with the President on or about April 15;

-- they agreed that the premise for asking for only non-lethal aid would have to be based upon the viability of the peace offer they made in the unity document in San Jose on March 1 (Tab A);

-- they were convinced to accept a plea from the Nicaraguan bishops to extend their April 20 deadline on the San Jose Declaration until May 5; and

-- [redacted]

The effort to conclude these arrangements were significant. All three objected that extending the deadline (even for 15 days) or announcing their willingness to accept non-lethal aid would cause serious problems with their supporters in Nicaragua. Calero made the point that many on the inside are waiting for the expiration of the offer before they commit themselves to oppose the Sandinistas.

~~SECRET~~
Declassify: OADR

UNCLASSIFIED

~~SECRET~~ UNCLASSIFIED SECRET N 40748

Before we decide to urge the resistance leadership to accept further extensions in the deadline, there are several important factors regarding the document itself of which you should be aware:

-- The document was written by Calero, Cruz, and North in my hotel room in Miami on January 29 and 30. They were convinced that this document was necessary in order to bring unity to the movement. It is significant that this is the first time in any resistance movement in which we have achieved unity among the diverse factions opposing a Communist-supported central government. We have never enjoyed this unity [redacted]

-- The only reason Calero agreed to sign was because the criteria established for the Sandinistas were, he knew, impossible for them to meet. He personally wrote several of the democratization conditions. All agreed that the objective was [redacted] but rather to galvanize the internal opposition and convince the U.S. Congress that the opposition was led by reasonable men. In fact, the unity document is a reasonable request and is in Calero's public words "nothing more than that which is expected of any civilized society." As expected, the Sandinistas have announced that they will not negotiate with the resistance (Tab B).

-- [redacted]

-- Our friends in Central America, particularly [redacted] need to have a significant manifestation of our commitment in the very near future. During your trip to the region, all of the Central American Heads of State noted the urgent need for a visible signal of our steadfastness. They are all cognizant of the importance of the unity document and its deadlines. They will perceive that a significant delay by the resistance is the result of U.S. pressure and will see it as a further example of vascillating U.S. policy.

~~SECRET~~ UNCLASSIFIED SECRET

It is my belief that urging the resistance leaders (particularly Calero) to accept a major delay and a U.S. mediation role in negotiating the San Jose criteria with the Sandinistas will result in a breakdown of the unity we have achieved. Calero is uncomfortable with both Cruz and Robelo in that they were in the Sandinista government which expropriated his property and jailed him. He has only cooperated to date in the unity effort because he trusts the only persons in the U.S. Government who have supported the movement since October 1984--North and McFarlane. He has a deep and abiding distrust of the State Department, in general, and Tony Motley, in particular. He would probably view such a proposal as an effort to force the resistance fighters to accept an agreement which is contrary to their interest. It is unlikely that he would cooperate and would probably withdraw from the unified opposition.

Because all three of the principal resistance leaders are cognizant of our law, they had hoped for affirmative action on the resistance funding at the end of February. By direction, I assured them that, while the MX issue had to be our first priority, the resistance program would be our next. They have reluctantly agreed to further concessions only because they believe that the momentum of victory is on their side. They, like many others in the Administration, are convinced that we can win a vote on non-lethal assistance and that even this will be sufficient to further degrade the effectiveness of the Sandinistas.

[redacted]

Despite what you have heard from Max Friedersdorf and others, this vote is winable--if we move before its too late. We should not compromise the personal relationships that have been established and brought this operation so far since October. If a delay is necessary, it should not be based on a further extension of the unity deadline nor on an offer to have the U.S. supplant the Nicaraguan bishops as mediators. The unity document can still be used as an example of the flexibility and willingness to compromise on the part of an enlightened resistance leadership. A further extension or, worse yet, a protracted ceasefire can only work to the disadvantage of the freedom fighters.

Lastly, in case you did not have a chance to read it at Tab D is a very clear statement of what we have been about in this effort. If Time magazine is running this kind of essay, we have indeed come a long way in this debate. We do have momentum on our side. We need not sacrifice our gains by changing all the signals we have sent so far to the resistance.

RECOMMENDATION

That you use the points above with your breakfast meeting with Secretary Shultz.

Approve _____ Disapprove _____

Attachments
- Tab A - March 1, 1985 San Jose Declaration
- Tab B - Washington Post Article, "We Will Never Negotiate with the Contras" dtd March 30, 1985
- Tab C - Map

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March 30, 1985

THE WASHINGTON POST

N 40752

'We Will Never Negotiate With The *Contras*'

The Post urges the government of Nicaragua to negotiate with the CIA-supported *contras*, who have been fighting for four years to overthrow it ["A Fair Offer to the Sandinistas," editorial, March 17].

My government believes in negotiations, and is committed to seeking a peaceful solution to the current crisis through genuine negotiations with its adversaries, both foreign and domestic. We are active participants in the Contadora process (we alone accepted the Contadora peace proposal last September); we were participating in the Manzanillo talks; and we are carrying on a dialogue with the civilian opposition within Nicaragua. But we will never negotiate with the *contras*. Here is why:

1. The *contras* are led by officers of the hated *Guardia Nacional*, the main prop of the Somoza dictatorship that brutalized the Nicaraguan people for more than 40 years until our Sandinista Revolution threw them out in July 1979. This is confirmed by the U.S. Defense Intelligence Agency, which has reported that the FDN, the main *contra* group, is "led by Col. Enrique V. Bermudez—former GN member and last Nicaraguan military attaché to the U.S. under the government of President Anastasio Somoza—and by other ex-GN officers." All key military positions are filled by former GN officers, including Col. Ricardo Lau—chief of *contra* counterintelligence, who, The Post recently reported, participated in the murder of Salvadoran Archbishop Oscar Romero.

As revealed by *contra* commanders to Post reporter Edward Cody [Feb. 28], the civilians who comprise the FDN's "political directorate" were actually handpicked by the CIA for the sole purpose of cleaning up the *contras'* image. These front men, who are trotted out from time to time to lobby Congress and meet with editorial boards of major newspapers, have no influence whatever. The Somocistas have all the guns.

2. The *contras* are terrorists whose attacks are directed primarily against our civilian population. From their bases in Honduras and Costa Rica, they penetrate our territory and murder, torture, mutilate, kidnap and abuse defenseless women, children and men. They destroy farms, health centers, food storage depots and schools. Recent reports by Americas Watch and the International Human Rights Law Group—respected American human-rights organizations—confirm dozens of My Lai-type atrocities by *contra* forces and accuse the *contras* of a deliberate campaign of terror against civilians. Official reports from Honduras accuse the *contras* of murdering civilians there. And now we see that the *contras* were responsible even for the killing of Archbishop Romero.

3. The *contras* are not an indigenous rebel group, but a collection of mercenaries recruited, paid, armed and directed by the CIA, and they would cease to exist without U.S. support. The Post simply ignores the facts when it says the United States is not the cause of the armed conflict in Nicaragua. In November 1981, when the CIA received President Reagan's authorization to create a counterrevolutionary army to overthrow the Nicaraguan government, there were only a few hundred ex-GN soldiers staging sporadic raids on farms along the border. Their principal occupations were cattle-rustling and extortion. It was the CIA, spending more than $100 million of the American taxpayers' money, that created the current 10,000-man force.

4. Notwithstanding the foregoing, my government has already made a fair offer to the *contras*, including the right to return to Nicaragua and run for elected office. On Jan. 22, the government decreed a general amnesty for all *contras*, without exception, including their military and political leaders. The decree allows them to return to Nicaragua and to participate fully in the social and political life of the country. My government has also committed itself to repeal the state of emergency (imposed in March 1982 in direct response to the war) and fully restore all of the civil and political rights that the Sandinista Revolution promised the Nicaraguan people, including freedom of the press, now partially limited because of the war. To accept the benefits of this amnesty the *contras* need do just one thing: lay down their arms.

If they are really fighting for democracy, as their propagandists claim, they can have it. It has already been offered to them. It is, by any objective standard, a fair offer. It could lead to a just and lasting peace and to the complete democratization of our country. That is what we wish.

The "*offer*" made by the *contras* is not an offer at all. It is another of the CIA's propaganda moves to make the *contras* appear to be peace-loving democrats—which they are not—and to justify more congressional funding for this illegal and immoral war.

—Carlos Tunnermann Bernheim

The writer is Nicaragua's ambassador to the United States.

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UNOFFICIAL TRANSLATION OF THE "DOCUMENT ON NATIONAL DIALOGUE OF THE NICARAGUAN RESISTANCE" AS SIGNED BY THE VARIOUS RESISTANCE LEADERS AND READ TO MEMBERS OF THE NICARAGUAN EXILE COMMUNITY IN SAN JOSE, COSTA RICA, 11:30 A.M., COSTA RICA TIME, MARCH 8 1985.

N 40754

We, democratic citizens, representatives of all sectors of the Nicaraguan Resistance, announce to the Nicaraguan people, to the governments and peoples of the Americas and of the world, the following manifesto:

THE PRESENT SITUATION OF NICARAGUA

In recent years, the Sandinista Front has submerged our people in a crisis with precedent in our national history.

At this time, the impact of this crisis is evident in the economic, political, social and moral spheres of the nation.

This situation is rooted both in the abandonment of the Original Program of Government and the Fundamental Statute as well as in the interference of the Soviet Bloc in our internal affairs.

Both factors, the sole responsibility of the Sandinista Front, have brought abo a sharp conflict whose protagonists are the governing party on the one hand and the Nicaraguan people on the other.

The Nicaraguan people reject, of course, the imposition of a regime which in essence contradicts the values and aspirations which gave birth to the revolutionary process. They are founded on the recovery of freedom, democracy and social justice so often postponed because of the Somoza regime.

In conclusion, the national crisis we face did not grow out of a confrontation between imperialism and the revolution, as the Sandinista Front pretends, but out of the contradictions which emerge from the clash between democratic expectations of the Nicaraguan people and the imposition of a totalitarian system such as that which is being implanted in our country by the Sandinista F

This conflict, which has produced a civil war, today threatens to destroy the Nicaraguan nation. And as stated in the recent document of the Nicaraguan Democratic Coordinator, it cannot be resolved through negotiations between the governments of other nations and the Sandinista Front nor through sectarian dial

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From that perspective, it is clear that the elections of November 4, 1984, by virtue of having been a farse, contributed nothing toward the resolution of the national crisis. This view has been supported by the Inter-American Commission of Human Rights in its report for the period 1983-84, as well as by the political groups which decided to participate in the "elections", as they stated in the document entitled "Proposals of Minimum Concurrence for the Renewal of the National Dialogue," issued in January of this year.

The solution to the national crisis can only be found through a genuine understanding among all Nicaraguans that might end the civil war and lead to the reconciliation of the Nicaraguan family.

We wish to emphasize that this initiative is not taken merely to search for a quota of power, but rather it seeks only to establish in Nicaragua the rule of law which will permit the people to live in peace and to go about resolvin our problems within a new constitutional order.

COMMON ASPIRATIONS

We aspire to the democratization of Nicaragua, conscious that democracy is th only means to carry out an authentic revolution and rescue our national identity and sovereignty.

We aspire to reconstructing Nicaragua, to promoting its devolopment in accord with a model which gives priority to the dispossessed sectors.

We aspire to the establishment of a political system which guarantees a real separation of powers, authentic pluralism and a just, efficient mixed economy

In order to carry out the foregoing, the following is required:

a) To recognize the primacy of civilian society with respect to the State to assure through it the dissolution of the totalitarian state-party-ar trilogy.
b) Full respect for human rights and fundamental freedoms of expression, assembly, religion and education.
c) De-militarization of society and the absolute subjection of police func to civilian authority.
d) A foreign policy which has as ojbectives the preservation of national sovereignty, peace and harmony with neighboring countries in particular and effective reactivation of the historical aspirations of Central American Unity.

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e) An economic system which provides for the development of the private sector which includes cooperative enterprises, as well as the clear definition of the participation of the State as a subsidiary economic agent and promoter of social development.

f) Institutionalization of a multi-party electoral system which guarantees free elections, alternation in power and respect for the minority.

g) Freedom to organize unions.

h) A modern, productive process of integral agrarian reform.

i) Administrative decentralization and effective autonomy for municipal government.

j) Full recovery of the Atlantic Coast, integrating it completely in the national life, guaranteeing respect for the culture and traditions of the various ethnic groups of the region and of the rest of the country within a framework of effective municipal autonomy, exercised in the context of the insolubility of the Nicaraguan nationality.

k) General amnesty and pardon for political crimes and related crimes.

l) Expulsion from the country of all foreign internationalists, military advisors and troops, including those who may be found using the identity of deceased Nicaraguan citizens and those who have been improperly naturalized.

THE LAST AND DEFINITIVE SUMMONS

After having carried out multiple peace initiatives in the last three years directed toward establishing a constructive dialogue with the Sandinista Front that would end the civil war and lead to the reconciliation of the Nicaraguan family, we recognize that those efforts have been fruitless because of the intransigence of the Sandinista regime and because of the designs of the Soviet bloc.

The Sandinista Front, by ignoring and failing to comply with the agreements made in the past, has lost the necessary credibility to reach a good faith understanding. Such is the case of the agreements reached with the XVII Consultative Meeting of the OAS Council of Ministers, the Original Program of Government, the Fundamental Statute, the Eighteen Points of Concurrence of the Forum for Discussion of National Problems, and the promises to carry out a free and honest election, among others.

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Therefore, in view of the gravity of the moment and conscious of our civic responsibilities and of the urgent need to save our people from greater suffering, we accept the call to convene issued by the Nicaraguan Democratic Coordinator and we call upon the Sandinista Front, for the last time, and in definitive and absolute fashion, to participate in a national dialogue which will end the national crisis. This dialogue should follow these modalities:

Convocation

The Nicaraguan Bishops Conference is the entity with the necessary moral authority to organize and coordinate the National Dialogue. In this regard, we reiterate the petition made to it by the Democratic Coordinator to convene the National Dialgoue.

Participants

In order that the dialogue be efficient and produce the desired results, it is necessary to structure it in accordance with Nicaraguan reality. There are two political tendencies in Nicaragua: the totalitarian one which for the moment ha accepted the Sandinista Front as its vanguard, and the democratic one which is divided into armed organizations and civilian organizations; therefore, the Dialogue should be between these two political tendencies so that both can name their respective delegates, as many as the Bishops Conference feels is appropri

Observers and Guarantors

We suggest to the Bishops Conference that it request the participation of the Central American Governments in the Dialogue as guarantors of the agreements which may be reached, given the fact that the sister peoples of Central Ameri are, in the final analysis, are those which have been most directly affected by the Nicaraguan crisis.

The presence of these governments as guarantors in no way hinders the presence as observers or even as guarantors of other governments and democratic entities of the American continent.

Minimum Requirements

We support fully the minimum requirements demanded by the Democratic Coordinatc in order to initiate the National Dialogue. They are: Suspension of armed activities, with a cease-fire in situ; lifting of the state of emergency; absolute freedom of expression and assembly; general amnesty and pardon for political crimes and related crimes; entry into effect of the right of asylum and habeus corpus, adding the granting of full protection of the physical and moral integrity of those members of the Resistance who participate in the Dialogue, in the event that it should take place in Nicaragua.

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The application of these measures should be carried out under the supervision of the guarantor governments.

Temporary Permanence of the Executive

If this dialogue is carried out, we commit ourselves to accept that Mr. Daniel Ortega continue acting as head of the Executive Branch until such time as the people pronounce themselves in a plebiscite. During this period, Mr. Ortega should govern in fulfillment of the promises of the Nicaraguan Revolutionary Government Junta contained in the document of July 12, 1979 and directed to the Secretary General of the Organization of American States, an in fulfillment of the Original Program of Government, the Fundamental Statute and the American Human Rights Convention and the Pact of San Jose.

Initial Points of the Agenda

Although it will be up to the Bishops Conference to establish a definitive agenda, by agreement of the parties, we urge it to include as of now the following points:

1) That the legal procedure and actions of the government conform immediately to the American Convention ot Human Rights, or the Pact of San José, which was ratified by the Nicaraguan Governement of National Reconstruction on September 25, 1979, declaring it the law of the land and committing the national honor to its enforcement.
2) The dismantlement and immediate dissolution of all the party repressive organisms such as the CDS (Sandinista Defense Committees) and the other para-military organs.
3) eduction of military strength, the apolitical nature of the army, an end to the arms race, and the withdrawal of all foreign military troops and advisors and internationalists.
4) Immediate dissolution of the National Constituent Assembly.
5) A new provisional electoral law.
6) A new provisional law for political parties.
7) Re-structuring of the electoral system in accordance with the above provisional laws.
8) Calling of elections for a National Constituent Assembly.
9) Calling of municipal elections.
10) Calling of a plebiscite on the conduct of new presidential elections.

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Initiation of the National Dialogue; Instrumentation and Deadlines

In order to carry out the National Dialogue proposed by the Democratic Coordinator, on the basis of the statements contained in this document, and conscious of the leninist tactic of stalling in order to consolidate the totalitarian program of the Frente Sandinista, said Dialogue must begin by March 20, 1985. This date cannot be postponed. If by April 20, 1985 the National Dialogue has not begun or has not progressed in clear and substantial form, it will be definitely suspended by the Nicaraguan Resistance, thereby terminating the possibilities for a peaceful resolution of the national crisis.

If the Nicaraguan Bishops Conference considers it useful to hold conversations with this group for purposes of preparations leading to the speedy realization of the Dialogue, we announce our immediate availability to participate in such conversations. To that end we appoint as our represertatives Mssrs. Arturo J. Cruz, Alfonso Robelo and Adolfo Calero.

May love for our fatherland overcome selfishness and foreign involvement, so that the National Directorate of the Sandinista Front will respond positively to this our last effort to grant to our country a civilized solution.

God Save Nicaragua!

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Document page N40761 denied in its entirety.

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The Reagan Doctrine

"We must not break faith with those who are risking their lives on every continent from Afghanistan to Nicaragua to defy Soviet-supported aggression and secure rights which have been ours from birth . . . Support for freedom fighters is self-defense."
—President Reagan, in the State of the Union, February 1985

Ronald Reagan is the master of the new idea, and has built the most successful political career in a half-century launching one after another. His list of credits includes small government (Barry Goldwater having tried, and failed, with it first), supply-side economics and strategic defense (Star Wars). These radically changed the terms of debate on the welfare state, economic theory and nuclear strategy. All that was left for him to turn on its head was accepted thinking on geopolitics. Now he has done that too. He has produced the Reagan Doctrine.

You may not have noticed. Doctrines, like submarines, tend to be launched with fanfare. The Monroe Doctrine was instantly recognized, on both sides of the Atlantic, as a historic declaration; the Truman Doctrine was unveiled in a dramatic address to a joint session of Congress; and when President Carter announced a new aggressive Persian Gulf policy on Jan. 23, 1980, by the next morning the New York *Times* had dubbed it "the Carter Doctrine." President Reagan saw fit to bury his doctrine in his 1985 State of the Union address beneath the balanced budget amendment, school prayer and the line-item veto. That he decided to make his a footnote is as much a tribute to Mr. Reagan's prudence as to his modesty. Truly new ideas—what Democrats lie awake at night dreaming of—are as risky as they are rare. This one has already precipitated a storm.

The Reagan Doctrine proclaims overt and unashamed American support for anti-Communist revolution. The grounds are justice, necessity and democratic tradition. Justice, said the President in his Feb. 16 radio address, because these revolutionaries are "fighting for an end to tyranny." Necessity, said Secretary of State George Shultz in a subsequent address in San Francisco, because if these "freedom fighters" are defeated, their countries will be irrevocably lost behind an Iron Curtain of Soviet domination. And democratic tradition, said the President, because to support "our brothers" in revolution is to continue—"in Afghanistan, in Ethiopia, Cambodia, Angola . . . [and] Nicaragua"—200 years of American support for "Simón Bolívar . . . the Polish patriots, the French Resistance and others seeking freedom."

That tradition ended abruptly with Viet Nam. It is true that President Carter sent arms to the Afghan rebels and that Congress concurred. Congress has also gone along with economic aid to the non-Communist resistance in Cambodia. However, since the Clark Amendment of 1976 prohibiting aid to anti-Marxist fighters in Angola, Congress has refused to support war against indigenous Communist dictatorships, no matter how heavily supported by the Soviet Union or its proxies. President Reagan's program of CIA support for the Nicaraguan *contras*, who are not fighting foreign occupation, broke post–Viet Nam precedent. At first, and for three long years, that new policy was given the flimsiest of justifications: interdicting supplies to the Salvadoran guerrillas. The Reagan Doctrine drops the fig leaf. It is inte
to establish a new, firmer—a doctrinal—foundation for
support by declaring equally worthy all armed resistan
Communism, whether foreign or indigenously imposed.

To interpret the Reagan Doctrine as merely a puffed-
tionale for Nicaraguan policy is like calling the Truman Do
a cover for a new Greek and Turkish policy. In both case
principles established have a much more profound implica

The Truman Doctrine set out the basic foreign policy a
of the postwar era: containment. With J.F.K.'s pledge to
any burden . . . to assure . . . the success of liberty," the i
containment reached its most expansive and consensuall
cepted stage. With Viet Nam, the consensus and the expa
sion collapsed. Since then the U.S. has oscillated, at times e
cally, between different approac
different doctrines—for defendi
ideals and its interests.

The Reagan Doctrine is the
such attempt since Viet Nam. Th
was the Nixon Doctrine: relyi
friendly regimes to police their re
Unfortunately, the jewel in the cr
this theory was the Shah of Iran
him, it was retired in 1979 to a
Panamanian island. Next cam
Carter Doctrine, declaring a ret
unilateral American action, if
sary, in defense of Western int
That doctrine rested on the emer
of a rapid deployment force. Un
nately, the force turned out neithe
id nor deployable. It enjoys a vi
theoretical existence in southern
da, whence it is poorly situated to
the Red Army.

If regional powers prove un
and projected American power
able, what then? It is a precious
that the answer to that questio
been suggested to Americans by
of fanatical Islamic warriors in Afghanistan. Unaware o
historic contribution to the theory of containment, they t
the Soviet army, made it bleed and slowed its march to the
coveted goal, the warm waters of the Persian Gulf.

This insurgency, and those in Cambodia, Angola and
ragua, pointed to a new form of containment, a kind of
facto containment: harassment of Soviet expansionism
limits of empire. There is an echo here of the old 1950s
wing idea of "rolling back" Communism. But with a diffe
This is not the reckless—and toothless—call for reclaimi
core Soviet possessions in Eastern Europe, which the
claim for self-defense and, more important, which they a
pared to use the most extreme means to retain. This is
lenge to the peripheral acquisitions of empire.

The Brezhnev Doctrine proclaimed in 1968 that the
sphere only expands. The Reagan Doctrine is meant as
tithesis. It declares that the U.S. will work at the peripher
verse that expansion. How? Like the Nixon Doctrine, it
proxies. Unlike the Nixon Doctrine, it supports not the
quo but revolution.

And that makes it so hard for both left and right to
For the left it seems all quite paradoxical, and hypocritic
Administration denounces Salvadoran guerrillas for blow
power stations and attacking villages, while at the same

Illustrations for TIME by Brad Holland

EXHIBIT OLN-261

To	Name and Address	Date	Initials
1	Robert McFarlane		
2			
3			
4			
5			
6			

XX	ACTION		FILE
	APPROVAL		INFORMATION
	COMMENT		PREPARE REPLY
	CONCURRENCE		RECOMMENDATION
	DIRECT REPLY		RETURN
	DISPATCH		SIGNATURE

REMARKS:

cc: Oliver North (#2 and 3)
Jim Radzimski (#4)

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EXHIBIT
OLN-261

cc
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MEMORANDUM

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NATIONAL SECURITY COUNCIL

SYSTEM IV
NSC/ICS-400453

May 1, 1985

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SENSITIVE

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: FDN Military Operations

Attached at Tab A is a summary analysis of how the FDN has expended funds which have been made available since USG funding expired in May 1984. From July 1984 through February 1985, the FDN received $1M per month for a total of $8M. From February 22 to April 9, 1985, an additional $16.5M has been received for a grand total of $24.5M Of this, $17,145,594 has been expended for arms, munitions, combat operations, and support activities. No additional funds have been received by the FDN since April 9 even though there is a commitment for a total of $25M. The following information is noteworthy:

- most expenditures have been for purchases of arms, ammunition, and other ordnance items;
- the $2.5M indicated for upkeep of base camps on the [redacted] borders includes costs of approximately $350K per month (an expense which will increase as the number of recruits continues to grow) and $50K for the operation conducted in Managua against the ammunition depot at the EPS military headquarters;
- the funding has allowed the growth of the resistance from 9,500 personnel in June 1984 to over 16,000 today--all with arms;
- when the May 1985 sealift arrives ($5M has already been deposited for this delivery), an additional 6,000 fighters can be equipped and fielded after a 3 week training period;
- the relocation of base camps along [redacted] border has been ordered for mid to late April 1985 in order to disperse the target for a Sandinista attack (cost for this relocation have not yet been fully quantified); and
- the acquisition of two small transport aircraft at the cost of $186K is prudent given the increased patrolling activity by the EPS along [redacted] border, thus complicating trail-borne resupply for columns operating deep inside Nicaragua.

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Declassify: OADR

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SENSITIVE

Summary of Operations to Date

The FDN has grown nearly twofold since the cut-off of USG funding. In this period, they have reoriented from conventional to guerrilla warfare tactics. Despite the lack of any internal staff organization (G-1, G-2, G-3, G-4) when the USG withdrew, the FDN has responded well to guidance on how to build a staff. Although there was a basic lack of familiarity with how to conduct guerrilla-type operations, since July, all FDN commanders have been schooled in these techniques and all new recruits are now initiated in guerrilla warfare tactics before being committed to combat. In short, the FDN has well used the funds provided and has become an effective guerrilla army in less than a year. The listing of combat operations at Tab B [redacted] is indicative of what the FDN has been able to accomplish with funds already made available. It is important to note that although funds started to flow in July, purchases made possible by this funding did not arrive in FDN hands until October 1984.

Future Operations

Plans call for remaining resources on hand ($7,354,000) to be used as follows:

-- increasing the force to a total of 25,000 by mid-Summer;

-- a major special operations attack against Sandino airport with the purpose of destroying the MI-24 helicopters and the Sandinista Air Force maintenance capability;

-- a major ground operation against the mines complex in the vicinty of Siuna, Bonanza, and La Rosita (Nicaragua)--the purpose of the operation is to secure the principal lines of communication in and out of Puerto Cabezas; and

-- the opening of a southern front along the [redacted] border which will distract EPS units currently committed to the northern front.

It is apparent that the $7M remaining on hand will be insufficient to allow the resistance to advance beyond these limited objectives, unless there is a commitment for additional funds. The $14M which the USG may be able to provide will help to defray base camp, training, and support expenses but will not significantly affect combat operations until several months after Congressional approval due to lead-time requirements. Efforts should, therefore, be made to have the current donors deliver the remainder of their $25M pledge ($8.5M) and to seek an additional $15-20M which will allow the force to grow to 35-40,000. If a commitment for these funds is made between now and June 1985, supplies could be ordered in July, allowing the force to reach these levels by the end of October 1985.

RECOMMENDATION

That the current donors be approached to provide the remainder of their $25M pledge ~~and an additional $15-20M between now and June 1, 1985.~~

Approve ______ Disapprove ______

Attachments
Tab A - Summary Analysis of FDN Expenditures
Tab B - Summary of Combat Operations: Oct 1984 - Mar 1985

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As of April 9, 1985
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FDN Expenditures and Outlays

July 1984 through February 1985

Quantity	Item	Cost
Independent Acquisition		
[redacted]	G-3 rifles	[redacted]
[redacted]	Magazines	[redacted]
[redacted]	Rounds 7.62 x 51	[redacted]
[redacted]	Rounds 7.62 x 51	[redacted]
[redacted]	Hand grenades	[redacted]
Airlift #1 - February 1985		
[redacted]	81mm grenades	[redacted]
[redacted]	60mm grenades	[redacted]
[redacted]	50 cal API	[redacted]
[redacted]	Rounds 7.62 x 39	[redacted]
[redacted]	Rounds 7.62 x 51	[redacted]
	Freight, Demurrage, Ins., etc.	[redacted]
Airlift #2 - March 1985		
750,000	Rounds 7.62 x 39	$ 210,000
1,000	RPG-7 grenades	265,000
8,910	Hand grenades	84,645
60	60mm mortars	96,000
1,472 Kqs	C-4	47,104
[redacted]	Fuses and detonators	[redacted]
[redacted]	G-3 rifles	[redacted]
[redacted]	G-3 magazines	[redacted]
[redacted]	Cleaning kits	[redacted]
[redacted]	60mm grenades	[redacted]
[redacted]	50 cal links	[redacted]
	Freight, Demurrage, Ins., etc.	[redacted]
Sealift #1 - April Arrival		
[redacted]	RPG-7 rockets	[redacted]
[redacted]	Rounds 7.62 x 39	[redacted]
[redacted]	Rounds 7.62 x 51	[redacted]
[redacted]	Belts for 7.62 x 39	[redacted]
[redacted]	SA-7 launchers	[redacted]
[redacted]	SA-7 rockets	[redacted]
[redacted]	M-79 grenades	[redacted]
	Freight, Ins., and other exp	[redacted]
[redacted]	M-79 grenades	[redacted]

UNCLASSIFIED

UNCLASSIFIED

FDN Expenditures and Outlays
July 1984 through February 1985 (Cont'd...)

Quantity	Item	Cost
Sealift #2 - May Arrival		
[redacted]	Rounds 7.62 x 39	
[redacted]	Rounds 7.62 x 51	
[redacted]	Rounds linked 7.62 x 51	
[redacted]	Hand grenades	
[redacted]	M-79 grenades	
[redacted]	60mm grenades	
[redacted]	81mm grenades	
[redacted]	82mm grenades	
[redacted]	RPG-7 rockets	
[redacted]	Claymore mines	
[redacted]	50 cal API	
[redacted]	12.7 ammo	
[redacted]	57mm recoiless rifles	
[redacted]	57mm ammo	
[redacted]	Anti-tank mines	
[redacted]	G-3 rifles	
[redacted]	G-3 cleaning kits	
[redacted]	AK rifles	
[redacted]	G-3 magazines	
[redacted]	AK magazines	
[redacted]	Swedish K magazines	
[redacted]	HK-21 machine guns	
[redacted]	RPG-7 launchers	
[redacted]	M-79 launchers	
[redacted]	9mm pistols	
[redacted]	AK-39 links or belts	
[redacted]	C-4	
[redacted]	Fuses and detonators	[redacted]
Deposit paid		[redacted]
Estimated cost		[redacted]
Miscellaneous Expenses Since July 1984		
[redacted]	Uniforms	[redacted]
	Boots	[redacted]
	Radio and comm equip	[redacted]
	Air and ground transp	[redacted]
	Military gear	[redacted]
	Aid to southern front	[redacted]
	Aid to Misuras	[redacted]
	Food, family asst, upkeep of base camps, air force hospitals, etc.	[redacted]
	Political activity - offices in various countries and cities, travel, p.r.	[redacted]
	Acquisition two transp airplanes	[redacted]

UNCLASSIFIED

UNCLASSIFIED

Document

N 34055 — 34063 (Tab B) (9 pages)

Deleted in its Entirety

UNCLASSIFIED

EXHIBIT OLN-262

MEMORANDUM

UNCLASSIFIED

NATIONAL SECURITY COUNCIL

SYSTEM IV
NSC/ICS-400554

May 24, 1985

~~TOP SECRET~~

CODEWORD

ACTION

N 45000

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: AMCIT Hostages

EXHIBIT
OLN-262

[redacted]

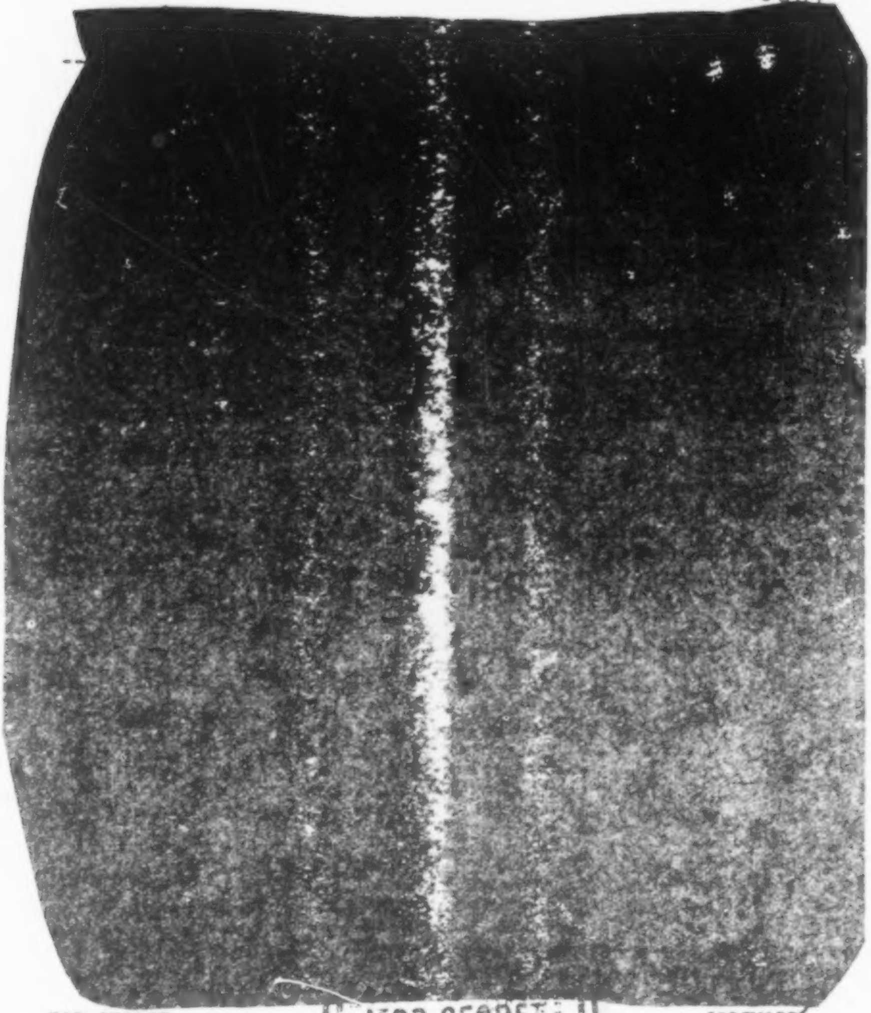
~~TOP SECRET~~
Declassify: OADR

~~CODEWORD~~

UNCLASSIFIED

1225

Partially Declassified/Released on 22 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council



N 45302

-- [redacted]

-- DEA. The DEA contact has indicated that for $4M [illegible] bribes the Americans can be spirited out [redacted] and delivered to [redacted] where they will be turned over to the U.S. Their contact has proposed a scenario by which he would be provided with $200K in cash to start the process. $1.5M would be placed in a Swiss bank account--payable to [redacted] once the turnover had been completed. [redacted] a $500K cash transfer would take place as the first two Americans were released to U.S. hands. The second two Americans would be turned over as soon as a second $2M was placed in the Swiss account.

The CIA became aware of this proposal in general some weeks ago when the DEA rep to the HLTF described the contact which had been made in Lebanon. Since that time, two DEA officers [redacted] have met in Cyprus with their contact [redacted]

Although CIA (Clair George) believes that this is a "scam," the DEA officers note the following:

- Their source needs to establish the credibility of the offer with the $200K. The source has been told that if he "double-crosses" the DEA and does not produce for the $200K that he will be exposed in Lebanon as a USG asset. The source is aware of the consequences of such revelation.

- Only the $200K is placed at risk if the operation is not credible. According to the DEA, there are [redacted] who must be bribed in order to implement the safe recovery described above. Thus, the higher cost than was originally forecast.

TOP SECRET

~~TOP SECRET~~ ~~CODEWORD~~
N 45303

[redacted] All of the other options, except the DEA plan, appear to have an equally poor chance of success. The two DEA officers have not briefed their superior [redacted] on the plan since he has resisted the use of USG money for a bribe which he feels would likely leak when briefed by the CIA. He is concerned that when the Congressional committees are made aware of the $200K that DEA would be tainted by another CIA failure.

RECOMMENDATIONS

1. That you call Ed Meese and ask him to be briefed by North on the DEA plan.

Approve _____ Disapprove _____ But [illegible]

2. That you authorize me to transfer the privately provided $200K to the DEA officers for initiating the plan described above.

Approve _____ Disapprove _____

3. That you send the CABO cable at Tab I .

Approve _____ Disapprove _____

Attachments
Tab I - [redacted]

UNCLASSIFIED

~~TOP SECRET~~ ~~CODEWORD~~

UNCLASSIFIED

N 45304

UNCLASSIFIED

UNCLASSIFIED

Eleven pages deleted

5-29-87 N 45305

UNCLASSIFIED

1044

UNCLASSIFIED

12094

N 45306

NATIONAL SECURITY COUNCIL

Jim R -

Please do not reproduce any copies or share w/anyone w/o talking to ON.

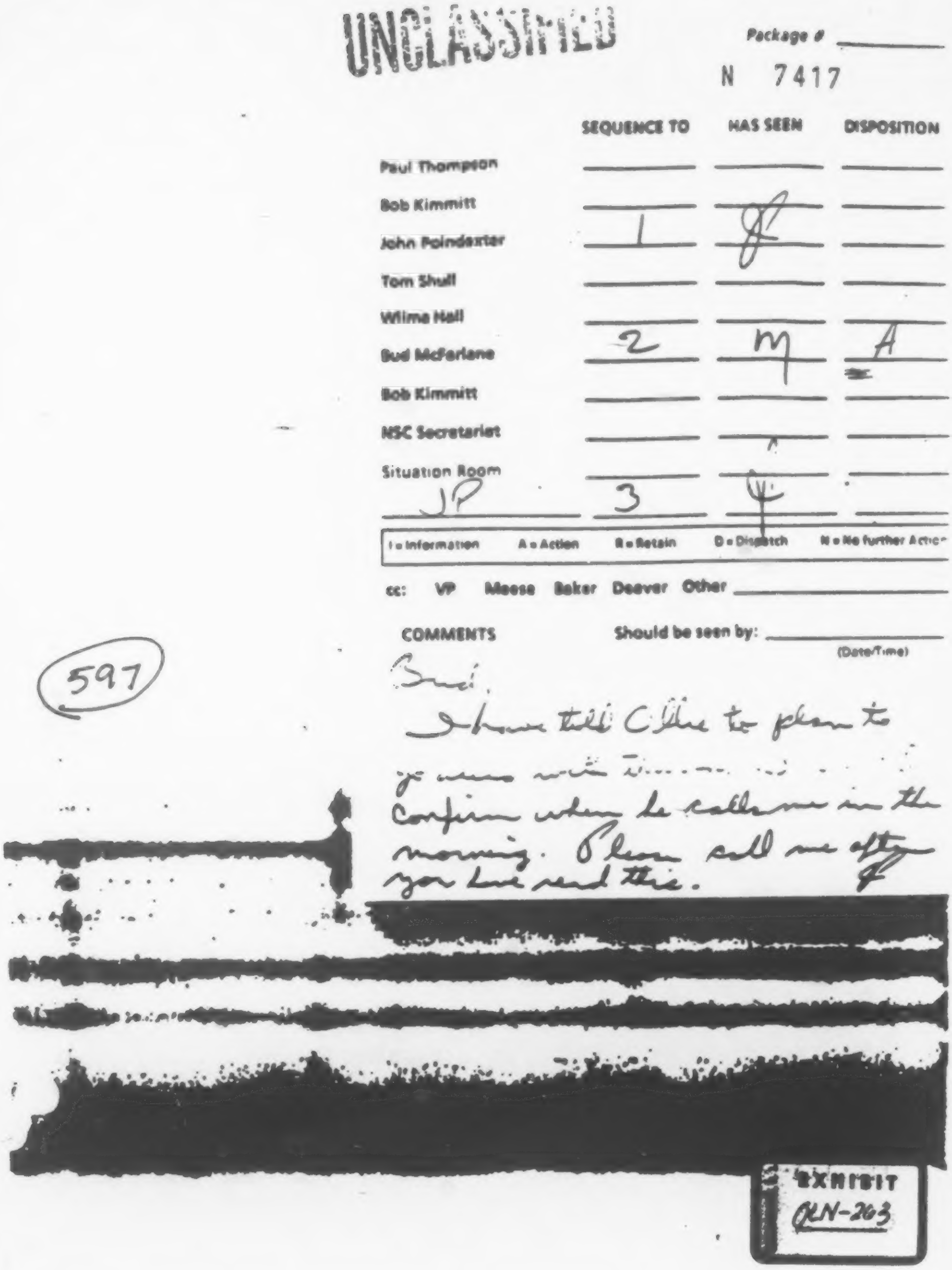
P.S. I know you don't but especially not this

P.S.S. Tillman might have interests in it.

Thx Fawnie

UNCLASSIFIED

Exhibit OLN-263



UNCLASSIFIED

Package # ______

N 7417

	SEQUENCE TO	HAS SEEN	DISPOSITION
Paul Thompson			
Bob Kimmitt			
John Poindexter	1	JP	
Tom Shull			
Wilma Hall			
Bud McFarlane	2	M	A
Bob Kimmitt			
NSC Secretariat			
Situation Room			
JP	3	ψ	

I = Information A = Action R = Retain D = Dispatch N = No further Action

cc: VP Meese Baker Deaver Other ______

COMMENTS Should be seen by: ______ (Date/Time)

597

Bud,

I have told Ollie to plan to go [illegible] with [illegible] Confirm when he calls me in the morning. Please call me after you have read this. J

[redacted]

EXHIBIT
OLN-263

1	Robert McFarlane		
2			
3			
4			
5			
6			

EYES ONLY

X	ACTION		FILE
	APPROVAL		INFORMATION
	COMMENT		PREPARE REPLY
	CONCURRENCE		RECOMMENDATION
	DIRECT REPLY		RETURN
	DISPATCH		SIGNATURE

REMARKS:
cc: Oliver North (#2 and 3)

~~TOP SECRET~~ UNCLASSIFIED TOP SECRET SENSITIVE

EYES ONLY

N 7418

NSC/ICS CONTROL NO. 400587

COPY NO. 1 OF 3

HANDLE VIA SYSTEM IV CHANNEL ONLY

EYES ONLY

NSC INTELLIGENCE DOCUMENT

[illegible] 8 May 1987

Warning Notice
Intelligence Sources and Methods Involved
NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

EYES ONLY

TOP SECRET SENSITIVE UNCLASSIFIED ~~TOP SECRET~~

MEMORANDUM

UNCLASSIFIED

NATIONAL SECURITY COUNCIL

NSC/ICS-400587

June 7, 1985

N 7419

~~TOP SECRET~~

ACTION

EYES ONLY

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: Status of Hostage Recovery Efforts

The two independent hostage recovery activities briefed last Saturday have proceeded as follows:

[redacted]

~~TOP SECRET~~
~~Declassify: OADR~~

UNCLASSIFIED

Partially Declassified/Released on 8 May 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

UNCLASSIFIED

~~TOP SECRET~~ EYES ONLY

N 7420

[redacted]

DEA operation. At the request of the two DEA officers who originated the contact in Lebanon, I met with their asset in Washington. Last week, their intermediary expressed concern with proceeding with the operation based on the instability inside Lebanon. In response to their urgings (the DEA officers were made aware of the possibility that the Dawa prisoners could be executed shortly after the end of Ramadan--June 19) and the death of one of his contacts inside Lebanon, he has now agreed to proceed as follows:

-- He will depart Saturday, June [redacted] and meet a [redacted] contact in Europe as well as [redacted] who was the secondary contact inside Lebanon. He will urge [redacted] to return to Lebanon and arrange for a meeting on Cyprus among one DEA officer [redacted], himself, and [redacted]

-- Once contact has been established and a meeting arranged, the two DEA officers will depart for Cyprus via Vienna where they will deposit the $200K and establish an account for the $2M ($500K of which will be available immediately in U.S. dollars cash for use in Lebanon) [redacted] will then proceed to the meeting indicated above.

~~TOP SECRET~~ EYES ONL

UNCLASSIFIED

-- The primary DEA contact [redacted] believes that the hostages can be bribed free for $1M a piece as follows:

- The $200K will be sufficient to brib[redacted] This money will be passed [redacted]

- [redacted] will turn over the hostages to [redacted] who will transport them [redacted]

- Transport [redacted] will cost in excess of $250K apiece in order to bribe [redacted] believes that the $200K [redacted] will be sufficient to establish bona fides to [redacted] to agree to passage of at least 2 hostages. Once the operation is underway and the hostages are through [redacted] will be provided with $500K in cash.

- [redacted] will turn the hostages over to [redacted] where they will be placed aboard a rented yacht for transport to Cyprus.

- One of the DEA officers [redacted] will have proceeded to Cyprus to rent a safehouse as a temporary holding location in the event that all hostages are not recovered in the first attempt.

- The remaining $1.5M made available by the donor will be released from the account in Vienna as soon as the hostages are aboard the yacht and at sea [redacted] These funds will be used to pay the [redacted]

It is assumed that the price cannot be negotiated down given the number of people requiring bribes. Both the DEA and [redacted] believe that this effort will produce two hostages and that additional hostages will be released for $1M each. The safehouse will be used to harbor/treat the first two hostages while arrangements (both financial and operational) are being made for the remaining hostages. [redacted] believes that 72-96 hours would be required for a second round. This assumes that additional funding is available on a near real-time basis. The donor is aware that the price being asked is $1M each. He is unaware that we are proceeding with a plan to release only two if the price does not come down.

N 7422

The DEA officers are prepared to take leave as soon as they are contacted by [redacted] Travel arrangements and operational costs are currently being financed from funds normally available to the Nicaraguan resistance. Our normal point-of-contact in the resistance for these matters is not yet aware.

Summary. As discussed with ADM Poindexter, it appears that both these plans can proceed simultaneously without undue concern for compromise or mutual jeopardy. Given that arrangements for the DEA operation will take considerable time (contacts inside Lebanon, financial transactions, and rental of yacht/safehouse), [redacted]

RECOMMENDATIONS

1. That you approve proceeding with the plans outlined above.

Approve RCM Disapprove ____

2. That you contact the Attorney General and ask that the two DEA officers [redacted] be placed on temporary detail to the NSC for a period of 30 days.

Approve [illegible] 6/9 RCM Disapprove ____

[illegible] 6/10 w/AG

Attachments

[redacted]

UNCLASSIFIED

N 7423

N 7423 - N 7431
deleted in their entirety

EXHIBIT OLN-264

OLTBOX.4 (86034) (- U - 03728

TEXT, VZCZCWF033
PP HQ NY PH SC
DE WF033 1992228
ZNY SSSSS
P 182228Z JUL 85FROM, SAC, WASHINGTON FIELD OFFICE (29-5504) (C-5) (P)

TO: DIRECTOR, FBI PRIORITY

ATTN: SSA GEORGE LANE

FINANCIAL CRIMES UNIT

CRIMINAL INVESTIGATIVE DIVISION

ADIC, NEW YORK ROUTINE

SAC, PHILADELPHIA (29A-7374) SSQ 3) PRIORITY

SAC, SACRAMENTO ROUTINE

WILLIAM PENN BANK, 230 SOUTH BROAD STREET, PHILADELPHIA, PA., —

BF&E; MF; FBW, OO:PHILADELPHIA

~~ALL MARKINGS, NOTATIONS AND ITEMS OF INFORMATION CONTAINED IN THIS COMMUNICATION ARE CLASSIFIED "SECRET" UNLESS OTHERWISE NOTED.~~

RE BUREAU TELETYPE TO WFO, 6/28/85.

FOR INFORMATION OF THE BUREAU AND RECEIVING OFFICES, ON 7/18/85, OLIVER NORTH, NATIONAL SECURITY COUNSEL (NSC), OLD EXECUTIVE OFFICE

29-5504-6
Searched
Serialized
Indexed
Filed

DECLASSIFIED
~~by C-1~~
on 4/29/87

PAGE TWO DE WF 00033 [illegible]

BUILDING, L7TH AND PENNSYLVANIA AVENUE, NW, WDC, TELEPHONE (202) 395-3345, ADVISED AS FOLLOWS,

RICHARD R. MILLER, PRESIDENT, INTERNATIONAL BUSINESS COMMUNICATIONS, L607 NEW HAMPSHIRE AVENUE, NW, WDC, HAS BEEN DOING CONFIDENTIAL CONTRACT AND CONSULTANT WORK FOR NSC AND U.S. DEPARTMENT OF STATE FOR THE APPROXIMATE PAST 3 YEARS. MILLER'S WORK CONCERNS THE FUNNELLING OF PRIVATE FUNDS TO NICARAGUAN FREEDOM FIGHTERS WHO OPPOSE THE SANDINISTA GOVERNMENT. FOLLOWING SETS FORTH MILLER'S RELATIONSHIP TO CAPTIONED MATTER,

AT THE APPROXIMATE TIME OF THE PLANNED SECRET U.S. INVASION OF GRENEDA, NORTH WAS CONTACTED BY KEVIN KATTKE (TRUE SPELLING) DBA WEAR AND ASSOCIATES, 111 BROADWAY, SUITE 2103, NEW YORK, NY. ATTKE ADVISED NORTH THAT HE (KATTKE) REPRESENTED A GRENADIAN TUDENT GROUP WHO WERE CONTEMPLATING AN OVERTHROW OF THE COMMUNIST LEANING GOVERNMENT OF GRENADA. THROUGH CHECKING WITH NSC SOURCES, NORTH DETERMINED THAT KATTKE WAS A "RIGHT WING IDEALOGUE" KNOWN TO FREQUENTLY CONTACT U.S. GOVERNMENT DEFENSE AND SECURITY AGENCIES FOR A VARIETY OF CAUSES. NORTH CHARACTERIZED KATTKE AS LIKE A "ROUGE CIA AGENT" WHO HAS NO IDENTIFIABLE TIES WITH THE U.S. GOVERNMENT.

PAGE THREE DE WF 00033 ~~SECRET~~

DURING SOME LATER POINT IN L984, KATTKE RECONTACTED NORTH TO ADVISE THAT HE REPRESENTED A MEMBER OF THE SAUDI ARABIAN ROYAL FAMILY, PRINCE EBROHIN BIN ABDUL-AZIZ BIN SAUD L-MASOUDY (HEREAFTER THE PRINCE). THE PRINCE WAS ALLEGEDLY INTERESTED IN PLACING A LARGE SUM OF MONEY AT THE DISPOSAL OF THE NICARAGUAN FREEDOM FIGHTERS. NORTH ADVISED KATTKE THAT INASMUCH AS US PUBLIC LAW FORBID EXPENDITURES OF GOVERNMENT FUNDS TO AID NICARAGUAN INSURGANTS, IT WAS INADVISABLE FOR A MEMBER OF THE NSC (NORTH) TO MEET WITH THE PRINCE DIRECTLY. NORTH ADVISED KATTKE THAT RICHARD MILLER WOULD CONTACT KATTKE TO MEET THE PRINCE. KATTKE INSISTED THAT ALL CONTACT WITH THE PRINCE BE THROUGH HIM.

FOLLOWING KATTKE'S CONTACT, NORTH CAUSED A CHECK TO BE MADE OF AVAILABLE INFORMATION IN THE PUBLIC DOMAIN REGARDING THE OFFICIAL ROYAL SAUDI FAMILY AND NO INFORMATION LOCATED WAS IDENTIFIABLE WITH THE PRINCE. NORTH COULD NOT STATE WHETHER THIS CHECK WAS ALL INCLUSIVE. THE PRINCE HAS MANDATED THAT NO INQUIRY BE MADE OF HIS STATUS THROUGH THE SAUDI ARABIAN GOVERNMENT.

INFORMATION REGARDING THE PRINCE'S EXPRESSED INTEREST IN DONATING TO THE NICARAGUAN FREEDOM FIGHTERS WAS DISCUSSED BY NORTH PERSONALLY WITH PRESIDENT RONALD REAGAN AND NATIONAL SECURITY ADVISER

ROBERT MAC FARLANEAS RECENTLY AS JUNE, L985.

SINCE MILLER'S CONTACT WITH THE PRINCE THROUGH KATTKE, THE PRINCE HAS THUS FAR FAILED TO PLACE FUNDS IN THE HANDS OF NICARAGUAN FREEDOM FIGHTERS AS ORIGINALLY OFFERED. THERE IS SOME QUESTION AND RESERVATION, AT NSC TO THE PRINCE'S BONA FIDES AND 7/26/85, HAS BEEN INFORMALLY SET BY NSC AS THE DATE FOR THE PRINCE TO FOLLOW THROUGH OR NOT. NORTH CONFIDENTALLY ADVISED THAT NSC MAINTAINED INDIRECT CONTACT WITH THE PRINCE THIS LENGTHY PERIOD OF TIME DUE TO THE DESPERATE NEED OF PRIVATE FUNDS BY NICARAGUAN FREEDOM FIGHTERS SINCE BEING CUT OFF FROM U.S. FUNDING. THE U.S. CONGRESS IS EXPECTED TO APPROVE NEW FUNDING OF 38 MILLION DOLLARS TO THIS GROUP DURING THE WEEK OF 7/22/85.

IN JUNE, 1985, MILLER, AT THE REQUEST OF KATTKE AND THE KNOWLEDGE OF NORTH, CONTACTED THE WILLIAM PENN BANK, PHILADELPHIA, PA. REGARDING CAPTIONED MATTER. MILLER HAS MAINTAINED CONTACT WITH NORTH REGARDING THIS MATTER CONTINUALLY UP TO 7/LS/85, INCLUDING ADVISING NORTH OF MILLER'S INTERVIEW BY FBI, PHILADELPHIA. MILLER MAINTAINS THAT HE HAS DONE NOTHING ILLEGAL IN CONTACTING THE BANK.

00132

PAGE FIVE DE WF 00033 ~~SECRET~~

MILLER ADVISED NORTH THE PRINCE IS ALLEGEDLY OUT OF FAVOR WITH THE SAUDI GOVERNMENT DUE TO HIS SHIITE MOSLEM FAITH AS THE MAJORITY OF THE SAUDI ROYAL FAMILY ARE OF THE SUNNI MOSLEM FAITH. MILLER BELIEVES OR HAS BEEN LEAD TO BELIEVE BY THE PRINCE THAT THE PRINCE'S $250,000 CHECK WAS NOT CLEARED BY THE SAUDI FRENCH BANK DUE TO THESE RELIGIOUS DIFFERENCES.

DURING MILLER'S 7/15/85 CONTACT WITH NORTH, MILLER ADVISED NORTH THAT THE PRINCE IS CURRENTLY RESIDING IN WDC. NORTH SPECIFICALLY REQUESTED THAT ATTEMPTS BY THE FBI TO INTERVIEW THE PRINCE BE HELD IN ABEYANCE UNTIL AFTER THE WEEK OF 7/22/85, DUE TO THE CRITICAL TIMING OF THE PRINCE'S POSSIBLE BUT REMOTE LARGE DONATION TO THE NICARAGUAN FREEDOM FIGHTERS. IN NO WAY DOES NORTH WANT O INTERFERE WITH A CRIMINAL INVESTIGATION OF THE PRINCE, BUT NORTH FEELS THAT CONTACT BY THE FBI PRIOR TO NSC DETERMINATION OF THE PRINCE'S INTENTIONS MAY REVERSE ANY POSSIBILITY THAT THE PRINCE WILL FOLLOW THROUGH WITH HIS EXPRESSED INTENTION TO DONATE THIS MONEY. NORTH WAS ADVISED THAT HIS REQUEST WOULD BE KNOWN TO FBIHREQUESB

BUREAU REQUESTED TO ADVISE WFO WHETHER TO HOLD IN ABEYANCE ATTEMPTS TO INTERVIEW THE PRINCE UNTIL AFTER THE WEEK OF 7/22/85 AS REQUESTED BY OLIVER NORTH, NSC.

~~CL BY, G-3, DECL ON: OADR~~

BT

60033

NNNN

EXHIBIT OLN-265

```
FORMS.TEXT HAS 1 DOCUML .
INBOX.1 (#2059)
TEXT: VZCZCWF042
RR HQ
DE WF042 2120337
ZNY SSSSS
R 300337Z JUL 85FM:  SAC, WASHINGTON FIELD (29A-5504) (C-5) (P)
```

TO: DIRECTOR, FBI ROUTINE

ATTN: SSA GEORGE TONE, FINANCIAL CRIMES UNIT, CRIMINAL INVESTIGATIVE DIVISION

BT

[redacted]

WILLIAM PENN BONK, 230 SOUTH BROAD STREET, PHILADELPHIA, PENNSYLVANIA; BF&E; MF; FBW; OO:PH

[illegible]

RE WFO TEL TO BU, 7/18/85.

FOR INFORMATION OF BUREAU AND RECEIVING OFFICES, ON 7/30/85, OLIVER NORTH, NATIONAL SECURITY COUNCIL, WASHINGTON, D.C. (WDC), ADVISED WFO THAT RICHARD MILLER AND PRINCE EBROHIN BIN ABDUL-AZIZ BIN SAUD L-MASOUDY (HEREAFTER THE PRINCE) ARE CURRENTLY

11 HH

KCN
7d 317

DE-10)

J08733

R337
2 OCT 17 1985

DECLASSIFIED
by G-3
on 4/29/87

[illegible]

6 PHA

IN EUROPE REPORTEDLY ARRANGING TRANSFER OF FUNDS FROM THE PRINCE TO NICARAGUAN FREEDOM FIGHTERS AS SET FORTH IN REFERENCED TEL. NORTH STATED THAT MILLER HAD ALLEGEDLY ATTEMPTED TO CONTACT WFO RECENTLY FOR PURPOSES OF ARRANGING AN INTERVIEW WITH THE PRINCE PERTAINING TO CAPTIONED MATTER. NO RECORDS AT WFO HAVE BEEN LOCATED TO INDICATE CONTACT BY MILLER. MILLER AND THE PRINCE ARE EXPECTED TO RETURN TO WDC ON 8/1/85. NORTH WAS ADVISED THAT WFO INTENDED TO CONTACT MILLER FOR PURPOSES OF LOCATING AND INTERVIEWING THE PRINCE AT THE EARLIEST POSSIBLE DATE.

~~C BY G-3, DECLAS ON OADR~~

BT

#0042

NNNN

EXHIBIT OLN-266

*** Reply to note of 08/31/85 13:26

~~SECRET~~

N 29725

NOTE FROM: OLIVER NORTH
Subject: PRIVATE BLANK CHECK
UPDATE AS OF 0920:

Bob Oakley is calling [redacted] in D.C. to ask them to call their Embassy in Beirut -- at least until Sat a.m. before leaving Beirut. Per Bob's request, I called Reg B. and passed the same request to him, citing info from the same source which had forecast Weir's release.

[redacted]

Dick Secord called very early fm to advise that [redacted] w/ whom we have been working, told Dick that the PM himself had approved the xfer activity for Friday and that is aware and supportive. Dick notes that both these gentlemen got on an a/c a few minutes ago headed for Brussels. It is distinctly possible that either or both may mention this activity to some of our party while at the NATO convocation. Wd strongly urge that RCM approach [redacted] in Brussels and simply express verbal "thanks for their assistance in the movement of the material from Israel on Friday." It may also be useful to urge them to say nothing to anyone else on the matter.

Please pass to RCM as avail.

4 May 87

Declassified
#18 Secord

EXHIBIT
OLN-266

EXHIBIT OLN-267

Partially Declassified/Released on [illegible] 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

SECRET UNCLASSIFIED

NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

SYSTEM II
91229

~~Honduras~~
Central America

December 2, 1985

SECRET

ACTION

N 31901

EXHIBIT
OLN-267

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: OLIVER L. NORTH

SUBJECT: Trip to Panama and Honduras

Based on your guidance, arrangements have been made for you to meet with General Noriega in Panama (Dec 4) and General Lopez in Honduras (Dec 5). The itinerary and substance of your meetings have been discussed with State (DASS Bill Walker) and SOUTHCOM (General Galvin).

Attached at Tab I is a NSC Staff Travel Authorization Sheet for a proposed trip to Panama and Honduras on December 4-5, 1985.

Participants:

ADM John M. Poindexter	LTCOL Oliver North
Mr. Richard Armitage	Mr. Raymond Burghardt
Mr. William Walker	
[redacted]	

General Itinerary (details at Tabs III and IV):

Depart	2:30 p.m., Wed, Dec 4	Andrews AFB
Arrive	7:35 p.m.	Howard AFB, Panama (Remain Overnight)
Depart	9:00 a.m., Thurs, Dec 5	Howard AFB, Panama
Arrive	9:50 a.m.	Palmerola AB, Honduras
Depart	2:00 p.m., Thurs, Dec 5	Palmerola AB, Honduras
Arrive	7:10 p.m.	Andrews AFB

NSC will defray expenses for North and Burghardt's travel.

Attached at Tab II is a memo from you to Don Regan requesting a Special Air Mission (SAM) support for this trip.

Tabs III and IV provide an overview of the situation and the objectives we hope to achieve in Panama and Honduras, respectively. Detailed talking points for your use during the trip will be provided separately.

State (Walker), Defense (Armitage), [redacted], and Ray not available Burghardt concur.

1770

SECRET
Declassify: OADR

UNCLASSIFIED

[illegible] 14

SECRET UNCLASSIFIED

N 31902

RECOMMENDATIONS

1. That you authorize Rick Benner to cut the appropriate travel orders for North and Burghardt.

Approve _____ Disapprove _____

2. That you initial and forward the memo at Tab II to Don Regan requesting SAM support for the trip.

Approve _____ Disapprove _____

3. That you review Tabs III and IV prior to the trip.

Approve _____ Disapprove _____

cc: Rick Benner (w/o Tabs II, III, and IV)

Attachments
- Tab I - NSC Staff Travel Authorization Sheet
- Tab II - Poindexter Memo to Regan
- Tab III - Current Situation and our Objectives for Panama
- Tab IV - Current Situation and our Objectives for Honduras

SECRET UNCLASSIFIED

DATE: [illegible]

1. TRAVELER'S NAME: Oliver North and Ray Burghardt

2. PURPOSE(S), EVENT(S), DATE(S): For official meetings in Panama and Honduras December 4-5, 1985.

N 31905

3. ITINERARY (Please Attach Copy of Proposed Itinerary): see memo SYSTEM II 912

DEPARTURE DATE Wed. Dec 4 RETURN DATE Thurs. Dec 5

TIME 2:30 p.m. TIME 7:10 p.m.

4. MODE OF TRANSPORTATION:

GOV AIR XX COMMERCIAL AIR ___ POV ___ RAIL ___ OTHER ___

5. ESTIMATED EXPENSES:

TRANSPORTATION ___ PER DIEM XX OTHER ___ TOTAL TRIP COST $252.00 ($126.00 per diem for c

WHO PAYS EXPENSES: NSC XX. OTHER ___

7. IF NOT NSC, DESCRIBE SOURCE AND ARRANGEMENTS: N/A

8. WILL FAMILY MEMBER ACCOMPANY YOU: YES ___ NO XX

9. IF SO, WHO PAYS FOR FAMILY MEMBER (If Travel Not Paid by Traveler, Describe Source and Arrangements): N/A

10. TRAVEL ADVANCE REQUESTED: $ 0.00

11. REMARKS (Use This Space to Indicate Any Additional Items You Would Like to Appear on Your Travel Orders):

. TRAVELER'S SIGNATURE: Fawn Hall for

13. APPROVALS:

UNCLASSIFIED

CONFIDENTIAL

THE WHITE HOUSE
WASHINGTON

SYSTEM II
91229

CONFIDENTIAL

N 31904

MEMORANDUM FOR DONALD T. REGAN

FROM: JOHN M. POINDEXTER

SUBJECT: Special Air Mission (SAM) Support

It is requested that a SAM C-20 aircraft be provided for a proposed trip to Panama and Honduras on December 4-5, 1985. The purpose of the trip is to review the current situation in Central America with key government officials in these two countries. The itinerary for the trip is indicated below:

Proposed Itinerary:

Depart	2:30 p.m., Wed, Dec 4	Andrews AFB
Arrive	7:35 p.m.	Howard AFB, Panama (Remain Overnight)
Depart	9:00 a.m., Thurs, Dec 5	Howard AFB, Panama
Arrive	9:50 a.m.	Palmerola AB, Honduras
Depart	2:00 p.m., Thurs, Dec 5	Palmerola AB, Honduras
Arrive	7:10 p.m.	Andrews AFB

cc: The Honorable Richard P. Riley
Assistant to the President and
Director of Special Support Services

CONFIDENTIAL
Declassify: OADR

CONFIDENTIAL
UNCLASSIFIED

N 31905

ONE PAGE withdRAWN

PRD 4/25/87

N 31906

Based on discussions with Walker at State and General Galvin, the following detailed itineary has been proposed for Panama:

Wednesday, December 4, 1985:

1935:	Arrive Howard AFB, Panama; proceed to USAF Hdqtrs
1940 - 2010:	30 minute briefing w/General Galvin at USAF Hdqtrs
2010 - 2030:	Proceed via USSOUTHCOM auto to SOUTHCOM Hdqtrs for mtg w/General Noriega
2030 - 2100:	Mtg w/General Noriega; attendees: Poindexter, Galvin, Walker
2115 - 2200:	Recap briefing at CG, USSOUTHCOM residence w/U.S. team and General Galvin
2200 - morn:	Poindexter RON at Qtrs 1 w/General ~~Galvin~~; remainder of U.S. team RON at Casa Carribe

Thursday, December 5, 1985

0700 - 0730:	Breakfast (Qtrs 1 and Casa Carribe)
0730 - 0745:	Proceed to USSOUTHCOM Op Ctr
0745 - 0845:	USSOUTHCOM regional security briefing
0845 -0900:	Proceed to Howard AFB, Panama
0905 - 0950:	Enroute to Honduras via C-20

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N 31907

[redacted]

Thursday, December 5, 1985

0950: Arrive Palmerola Air Base, Honduras (save one hour enroute -- 1 hour and 50 minute flight)

1000 - 1215: Discussions with General Lopez; attendees: Poindexter, U.S. team, and Amb Ferch

1215 - 1315: Working lunch at CTF Bravo (U.S. military exercise hdqtrs)

1315 - 1400: Options:

A - [redacted]

B - Country team briefing by AmEmb Tegucigalpa

1400 - 1910: Enroute from Palmerola Air Base to Andrews AFB

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EXHIBIT OLN-268

[redacted]

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DRAFT

0454

Finding Pursuant to Section 662 of The Foreign Assistance Act of 1961 As Amended, Concerning Operations Undertaken by the Central Intelligence Agency in Foreign Countries, Other Than Those Intended Solely for the Purpose of Intelligence Collection

I hereby find that the following operation in a foreign country (including all support necessary to such operation) is important to the national security of the United States, [and due to its extreme sensitivity and security risks, I determine it is essential to limit prior notice, and direct the Director of Central Intelligence to refrain from reporting this Finding to the Congress as provided in Section 501 of the National Security Act of 1947, as amended, until I otherwise direct.]

-or-

[and direct the Director of Central Intelligence, or his designee, to report this Finding to the intelligence committees of the Congress pursuant to Section 501 of the National Security Act of 1947, as amended, and to provide such briefings as necessary.]

PE **DESCRIPTION**

n Work with Iranian elements, groups and individuals, selected foreign liaison services and third countries, all of which are sympathetic to U.S. Government interests and which do not conduct or support terrorist actions directed against U.S. persons, property or interests, for the purpose of: (1) establishing a more moderate government in Iran, and (2) obtaining from them significant intelligence not otherwise obtainable, to determine the current Iranian Government's intentions with respect to its neighbors and with respect to terrorist acts. Provide funds, intelligence, counterintelligence, training, guidance and communications assistance to these elements, groups, individuals, liaison services and third countries in support of these activities.

Establish contact with the more moderate elements within and outside the Government of Iran to establish their credibility with that Government by the provision of arms, equipment and related materiel to these elements on condition that these materials be limited in their use essentially to the Iran-Iraqi conflict. This assistance will be discontinued if the U.S. Government learns that these elements are misusing or intend to misuse this assistance, for the purpose of reinstituting terrorist actions against U.S. persons, property or interests, or otherwise.

1113

The White House
Washington, D.C.
Date: 3 January 1986

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OGCR TS 0801-86
~~COPY 1~~ copy 2

~~Top Secret~~

CL BY ~~[illegible]~~
DECL ~~OADR~~

rtially Declassified/Released on 19 May 1987
under provisions of E.O. 12356
by S. Reger, National Security Council

EXHIBIT
OLN-268

EXHIBIT OLN-268A

UNCLASSIFIED [redacted]

N 1235

Finding Pursuant to Section 662 of the Foreign Assistance Act of 1961, As Amended, Concerning Operations Undertaken by the Central Intelligence Agency in Foreign Countries, Other Than Those Intended Solely for the Purpose of Intelligence Collection

I hereby find that the following operation in a foreign country (including all support necessary to such operation) is important to the national security of the United States, and due to its extreme sensitivity and security risks, I determine it is essential to limit prior notice, and direct the Director of Central Intelligence to refrain from reporting this Finding to the Congress as provided in Section 501 of the National Security Act of 1947, as amended, until I otherwise direct.

SCOPE	DESCRIPTION
Iran	Work with Iranian elements, groups and individuals, selected foreign liaison services and third countries, all of which are sympathetic to U.S. Government interests and which do not conduct or support terrorist actions directed against U.S. persons, property or interests, for the purpose of: (1) establishing a more moderate government in Iran, and (2) obtaining from them significant intelligence not otherwise obtainable, to determine the current Iranian Government's intentions with respect to its neighbors and with respect to terrorist acts. Provide funds, intelligence, counter-intelligence, training, guidance and communications assistance to these elements, groups, individuals, liaison services and third countries in support of these activities.

The USG will act to facilitate efforts by third parties and third countries to establish contact with moderate elements within and outside the Government of Iran by providing these elements with arms, equipment and related materiel in order to enhance the credibility of these elements in their effort to achieve a more pro-U.S. government in Iran by demonstrating their ability to obtain requisite resources to defend their country against Iraq and intervention by the Soviet Union. This support will be discontinued if the U.S. Government learns that these elements have abandoned their goals of moderating their government and appropriated the materiel for purposes other than that provided by this Finding.

The White House
Washington, D.C.
Date: 3 January 1986

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Partially Declassified/Released on 22 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

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EXHIBIT
OLN-268A

Exhibit OLN-268B

UNCLASSIFIED

Finding Pursuant to Section 662 of The Foreign Assistance Act of 1961 As Amended, Concerning Operations Undertaken by the Central Intelligence Agency in Foreign Countries, Other Than Those Intended Solely for the Purpose of Intelligence Collection

N 9549

I hereby find that the following operation in a foreign country (including all support necessary to such operation) is important to the national security of the United States, and due to its extreme sensitivity and security risks, I determine it is essential to limit prior notice, and direct the Director of Central Intelligence to refrain from reporting this Finding to the Congress as provided in Section 501 of the National Security Act of 1947, as amended, until I otherwise direct.

SCOPE	DESCRIPTION
Iran	Assist selected friendly foreign liaison services and third countries, which have established relationships with Iranian elements, groups, and individuals sympathetic to U.S. Government interests and which do not conduct or support terrorist actions directed against U.S. persons, property or interests, for the purpose of: (1) establishing a more moderate government in Iran, (2) obtaining from them significant intelligence not otherwise obtainable, to determine the current Iranian Government's intentions with respect to its neighbors and with respect to terrorist acts, and (3) furthering the release of the American hostages held in Beirut and preventing additional terrorist acts by these groups. Provide funds, intelligence, counter-intelligence, training, guidance and communications and other necessary assistance to these elements, groups, individuals, liaison services and third countries in support of these activities. The USG will act to facilitate efforts by third parties and third countries to establish contact with moderate elements within and outside the Government of Iran by providing these elements with arms, equipment and related materiel in order to enhance the credibility of these elements in their effort to achieve a more pro-U.S. government in Iran by demonstrating their ability to obtain requisite resources to defend their country against Iraq and intervention by the Soviet Union. This support will be discontinued if the U.S. Government learns that these elements have abandoned their goals of moderating their government and appropriated the materiel for purposes other than that provided by this Finding.

The White House
Washington, D.C.
Date: 6 January 1986

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[redacted]

Declassified/Released on 19 May 1987
under provisions of E.O. 12356
By S. Reger, National Security Council

EXHIBIT
OLN-268B

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EXHIBIT OLN-268C

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N 23723

[redacted]

Finding Pursuant to Section 662 of The Foreign Assistance Act of 1961 As Amended, Concerning Operations Undertaken by the Central Intelligence Agency in Foreign Countries, Other Than Those Intended Solely for the Purpose of Intelligence Collection

I hereby find that the following operation in a foreign country (including all support necessary to such operation) is important to the national security of the United States, and due to its extreme sensitivity and security risks, I determine it is essential to limit prior notice, and direct the Director of Central Intelligence to refrain from reporting this Finding to the Congress as provided in Section 501 of the National Security Act of 1947, as amended, until I otherwise direct.

and third parties

SCOPE	DESCRIPTION
Iran	Assist selected friendly foreign liaison services and third countries, which have established relationships with Iranian elements, groups, and individuals sympathetic to U.S. Government interests and which do not conduct or support terrorist actions directed against U.S. persons, property or interests, for the purpose of: (1) establishing a more moderate government in Iran, (2) obtaining from them significant intelligence not otherwise obtainable, to determine the current Iranian Government's intentions with respect to its neighbors and with respect to terrorist acts, and (3) furthering the release of the American hostages held in Beirut and preventing additional terrorist acts by these groups. Provide funds, intelligence, counter-intelligence, training, guidance and communications and other necessary assistance to these elements, groups, individuals, liaison services and third countries in support of these activities. The USG will act to facilitate efforts by third parties and third countries to establish contact with moderate elements within and outside the Government of Iran by providing these elements with arms, equipment and related materiel in order to enhance the credibility of these elements in their effort to achieve a more pro-U.S. government in Iran by demonstrating their ability to obtain requisite resources to defend their country against Iraq and intervention by the Soviet Union. This support will be discontinued if the U.S. Government learns that these elements have abandoned their goals of moderating their government and appropriated the materiel for purposes other than that provided by this Finding.

The White House
Washington, D.C.
Date: 6 January 1986

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Ronald Reagan

[redacted]

EXHIBIT
OLN-268C

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EXHIBIT OLN-268D

[redacted]

N 7402

Finding Pursuant to Section 662 of The Foreign Assistance Act of 1961 As Amended, Concerning Operations Undertaken by the Central Intelligence Agency in Foreign Countries, Other Than Those Intended Solely for the Purpose of Intelligence Collection

I hereby find that the following operation in a foreign country (including all support necessary to such operation) is important to the national security of the United States, and due to its extreme sensitivity and security risks, I determine it is essential to limit prior notice, and direct the Director of Central Intelligence to refrain from reporting this Finding to the Congress as provided in Section 501 of the National Security Act of 1947, as amended, until I otherwise direct.

SCOPE	DESCRIPTION
Iran	Assist selected friendly foreign liaison services, third countries and third parties which have established relationships with Iranian elements, groups, and individuals sympathetic to U.S. Government interests and which do not conduct or support terrorist actions directed against U.S. persons, property or interests, for the purpose of: (1) establishing a more moderate government in Iran, (2) obtaining from them significant intelligence not otherwise obtainable, to determine the current Iranian Government's intentions with respect to its neighbors and with respect to terrorist acts, and (3) furthering the release of the American hostages held in Beirut and preventing additional terrorist acts by these groups. Provide funds, intelligence, counter-intelligence, training, guidance and communications and other necessary assistance to these elements, groups, individuals, liaison services and third countries in support of these activities. The USG will act to facilitate efforts by third parties and third countries to establish contact with moderate elements within and outside the Government of Iran by providing these elements with arms, equipment and related materiel in order to enhance the credibility of these elements in their effort to achieve a more pro-U.S. government in Iran by demonstrating their ability to obtain requisite resources to defend their country against Iraq and intervention by the Soviet Union. This support will be discontinued if the U.S. Government learns that these elements have abandoned their goals of moderating their government and appropriated the materiel for purposes other than that provided by this Finding.

The White House
Washington, D.C.
Date January 17, 1986

Ronald Reagan

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[redacted]

EXHIBIT
OLN-268D

EXHIBIT OLN-269

FILE: NSTP [redacted]AS WHITE HOUSE COMMUNICATIONS AGENCY **UNCLASSIFIED** PAGE 034

EXHIBIT
OLN-269

N 12114

-- ~~SECRET~~ --

NOTE FROM: OLIVER NORTH
Subject: [illegible]
Nir has advised that the 20th still appears good if we are proceeding w/ the first step of the long range plan to change the govt -- ending the hostage problem and getting rid of the 18 HAWK missiles still parked in Tehran. He believes that if the first step is scrubbed that the mtg will be too. He will be back to us on Tuesday next week re location and go/no-go decision if we make an affirmative decision on the first steps re the hostages.
meeting
NSC FROM: NSOLN --CPUA TO: NSJMP --CPUA 01/16/86 13:41:09
To: NSJMP --CPUA

*** Reply to note of 01/13/86 09:25

-- ~~SECRET~~ --

NOTE FROM: OLIVER NORTH
Subject: NICARAGUA
I agree. Will take for action in our Tuesday mtg w/ Elliott's people & prior to pr mtg w/ Elliott & Paul.
NICARAGUA
NSC FROM: NSOLN --CPUA TO: NSJMP --CPUA 01/16/86 13:50:49
To: NSJMP --CPUA

*** Reply to note of 01/10/86 18:57

-- ~~SECRET~~ --

NOTE FROM: OLIVER NORTH
Subject: MIKE LEDEEN
Have told this to You should be aware, however, that it is my opinion, based on my meeting w/ Gorba on Monday night, that Gorba tells Ledeen every thing. suspects that there is probably a secret business arrangement among Schwimmer, Ledeen and Gorba that is being conducted w/o the knowledge of any of the three respective governments and that this will result in at least some cross-fertilization of information. This may not be altogether bad if we can keep in touch w/ Ledeen enough to get a feel for what is really going on. I have no problem w/ someone making an honest profit on honest business. I do have a problem if it means the compromise of sensitive political or operational details. We might consider making him a contract employee of the CIA and requiring him to take a periodic polygraph. Yes? No?
? MIKE LEDEEN
NSC FROM: NSJMP --CPUA TO: NSOLN --CPUA 01/14/86 09:27:35
To: NSOLN --CPUA OLLIE NORTH

-- ~~SECRET~~ --

NOTE FROM: JOHN POINDEXTER
Subject: See log
WHEN YOU TALK TO HIM ASK HIM ABOUT DATE AND PLACE FOR
*** Forwarding note from NSJMP --CPUA 01/14/86 08:08 ***
To: NSJMP --CPUA JOHN M. POINDEXTER

-- ~~SECRET~~ --

NOTE FROM: ROBERT MCFARLANE

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by [illegible] Reger, National Security Council

(397)

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FILE: NOTE [redacted] AD WHITE HOUSE COMMUNICATIONS AGENCY PAGE 057

N 12115

SUBJECT: [redacted] meeting

Have you heard from Nir as to when it will be convenient for ______ to meet? Ledeen has heard Jan 29 via Gorba. Please let me know when you get word. There are one or two competing meetings in that timeframe but I can rearrange them if I have time. Many thanks.

meeting

MSG FROM: NSOLP --CPUA TO: NSJMP --CPUA 01/28/86 10:25:36

To: NSJMP --CPUA

*** Reply to note of 01/23/86 11:27

-- ~~SECRET~~ --

NOTE FROM: OLIVER NORTH

Subject: HOSTAGES

Gorba both have this message. Gorba made a phone call on this matter directly to Tehran in an effort to intercede. The Iranian end said that they would see what they could do.

HOSTAGES

MSG FROM: NSOLP --CPUA TO: NSJMP --CPUA 01/28/86 10:00:36

To: NSJMP --CPUA

*** Reply to note of 01/17/86 09:53

-- ~~SECRET~~ --

NOTE FROM: OLIVER NORTH

Subject: MIKE LEDEEN

Have done as asked. Casey shares our concerns. More recent information tends to indicate that there is even further grounds for concern given what may well be/have been a financial arrangement among Schwimmer, Nimrodi, Gorba and our friend.

MIKE LEDEEN

[redacted]

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by J. Reger, National Security Council

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EXHIBIT OLN-270

#47

TOP SECRET

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

Non-Log

N 9688

January 24, 1986

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~~SENSITIVE~~

PLEASE DESTROY AFTER READING

ACTION

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: OLIVER L. NORTH

SUBJECT: Operation Recovery

Please find attached at Tab A a notional timeline for major events in Operation Recovery. To my knowledge the only persons completely cognizant of this schedule are:

John Poindexter
Don Fortier
Oliver North

John McMahon
Clair George

Dewey Clarridge

Richard Secord
Amiram Nir
Prime Minister Shimon Peres

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RECOMMENDATION

That you privately discuss the attachment with the President.

Approve ____ Disapprove ____

TP

Attachment
Tab A - Notional Timeline for Operation Recovery

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[illegible] 4 May 87 [illegible]

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N 9690

Notional Timeline for Operation Recovery

Friday, January 24

-- CIA provide cube and weight data to Copp for a/c loading.

-- CIA prepare intel sample for pass to Gorba.

-- Copp provide a/c tail # to CIA for pickup at

--

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Saturday, January 25

-- Dispatch intel sample to Gorba via Charlie Allen.

Sunday, January 26

-- C. Allen deliver intel sample to Gorba at Churchill Hotel, London.

-- Copp finalize a/c requirements w/air carrier in Oklahoma.

Monday, January 27

-- Gorba place intel sample on 1300 GMT flight to Tehran fm Frankfurt, Germany.

Wednesday, January 29

-- Gorba transfer funds for purchase/transport of 1000 basic TOWs to Israeli account at Credit Suisse Bank, Geneva.

-- Israeli account manager automatically transfers deposit fm Israeli account to Copp account in same bank (bank record keeping transaction).

-- Copp's account manager automatically transfers $6M to CIA account in same bank (bank record keeping transaction).

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Thursday, January 30

-- CIA transfers $6M to DOD account by wire service transaction.

-- CIA orders movement of 1000 TOW missiles fm DOD storage facility Anniston, Alabama, to

-- CIA bills Copp account $26K for cost of moving 1000 TOW missiles fm Anniston, Alabama, to

Friday, January 31

--

--

[redacted]

Sunday, February 2

--

-- Copp travels to Israel for site survey of transfer point (Eliat, Israel).

-- Copp proceeds to rendezvous in Rome w/Clarridge to establish command post.

Monday, February 3

-- [redacted]

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TOP SECRET N 9692

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Tuesday, February 4

-- 1000 TOWs sanitized and prepared for shipping

-- Copp a/c packers arrive at and arrange for Copp a/c to lift TOWs fm Kelly AF Base, San Antonio, TX, on CIA contract.

Wednesday, February 5

-- Copp a/c arrives Kelly AF Base for loading.

-- CIA provides remainder of first intel sample to Gorba at Iranian Embassy in Bonn, Germany.

Thursday, February 6

-- Copp a/c commence lifting TOWs fm Kelly AF Base to transfer point at Eliat, Israel.

-- Israeli AF "sterilized" 707 a/c arrives at transfer point for loading.

-- Copp aircrew arrives Eliat, Israel, to pilot Israeli a/c.

--

-- Remainder of first intel sample flown fm Germany to Tehran in diplomatic pouch on scheduled Iran Airways flight.

Friday, February 7

-- Israeli "sterile" a/c piloted by Copp crew commences movement of TOWs fm Eliat to Bandar Abbas, Iran, via Red Sea route.

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TOP SECRET N 9693

~~TOP SECRET~~ SENSITIVE

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Saturday, February 8

- -- Delivery of 1000 TOWs completed.
- -- 25 Hizballah released by Lahad.
- -- Returning Israeli a/c pickup 18 HAWKs at Tehran airport for return to Israel.

Sunday, February 9

- -- All U.S. hostages released to U.S./British or Swiss Embassy.
- -- Second group of 25 Hizballah released by Lahad.
- -- Israelis return $5.4M to Gorba when HAWKs land in Israel.

Monday, February 10

- -- Gorba transfers funds to Israel account for purchase/transportation of 3000 TOWs (amount transferred is sufficient to cover purchase of 508 additional TOWs owed to Israel for Weir release and all transportation costs).
- -- Israelis transfer funds to Copp account at Credit Suisse Bank, Geneva.
- -- Copp transfers funds to CIA account for purchase/transportation of 3508 TOWs ($21.048M).
- -- Four (4) remaining Lebanese-Jews released by Hizballah.

Tuesday, February 11 (Anniversary of Iranian-Islamic Revolution)

- -- Khomheini steps down.
- -- CIA transfers $21.048M to DOD account for purchase of 3508 TOWs at $6K each.
- -- CIA starts moving TOWs to fm Anniston, Alabama, in lots of 1000.

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TOP SECRET N 9694

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Thursday, February 13

-- Copp packers return to

Tuesday, February 18

-- Copp a/c pickup 1000 TOWs at Kelly AF Base, Texas; deliver to transfer point (Eliat).

-- Israeli "sterilized" 707 a/c w/Copp crew commences delivery of 1000 TOWs to Iran.

Thursday, February 20

-- Copp a/c pickup 1000 TOWs at Kelly AF Base, Texas; deliver to transfer point (Eliat).

-- Israeli "sterilized" 707 a/c w/Copp crew commences delivery of 1000 TOWs to Iran.

Saturday, February 22

-- Copp a/c pickup 1000 TOWs at Kelly AF Base, Texas; deliver to transfer point (Eliat).

-- Israeli "sterilized" 707 a/c w/Copp crew commences delivery of 1000 TOWs to Iran.

Monday, February 24

-- Copp a/c returns to pickup 508 TOWs for delivery to Israel.

-- Collett (British hostage) and Italian hostages released and Buckley remains returned.

Tuesday, February 25

-- Second sample of intel provided to Gorba at Iranian Embassy in Bonn, Germany.

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EXHIBIT OLN-271

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

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February 18, 1986

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ACTION

EXHIBIT
OLN-271

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: OLIVER L. NORTH

SUBJECT: Operation Recovery

The following is text of encrypted message from Copp at 0830 this morning:

"Aircraft returned safely to Ben Gurion this morning at 0730 EST. Seventeen HAWK missiles aboard. Gorba called one hour ago. [redacted] will head Iranian side of meeting in Germany along with five others. Iranians will provide all names after we give names and titles to them through Gorba. Iranian delegation will include: [redacted] All will arrive via private plane in Frankfurt, Thursday p.m. Meeting to start at 1700 in Iranian Embassy (sic) for two hours. Iranians would then proceed back to Iran to check "quality" of data. Iranians have asked for second delivery of 500 TOWs on Friday a.m. They say they will release all hostages, if, [redacted] They say we will get hostages Friday or Saturday. They envision a future meeting in Iran with us to consider next steps while we are delivering balance of TOWs (3,000). [redacted] We have already rejected embassy as meeting site. Suggested following names from our side:

Nir (Office of Israeli Prime Minister)
MGEN Adams (Director, Current Intelligence - DIA) (AKA - Secord)
William Goode (Office of President)
Albert Hakim (Support Assistant to Director DIA)"

Based on the above, the CIA (Clarridge) has been asked to produce documents identifying Adams as DIA to avoid having Copp use his own passport. To date, CIA has refused to provide him with any alias documentation. Albert Hakim is VP of one of the European companies set up to handle aid to resistance movements. He is fluent in farsi and would need one time alias documentation as a DIA official.

Partially Declassified/Released on 31 June 1987
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by B. Re[illegible] Security Council

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It is recognized that there is a significant problem [redacted] However, we appear to be much closer to a solution than earlier believed [redacted] attendance at the Frankfurt meeting tends to support our hope that this whole endeavor can succeed this week, if we appear to be forthcoming.

RECOMMENDATION

That you urge Director Casey to provide [redacted] on Thursday in Frankfurt.

Approve ______ Disapprove ______

PLEASE DESTROY AFTER READING

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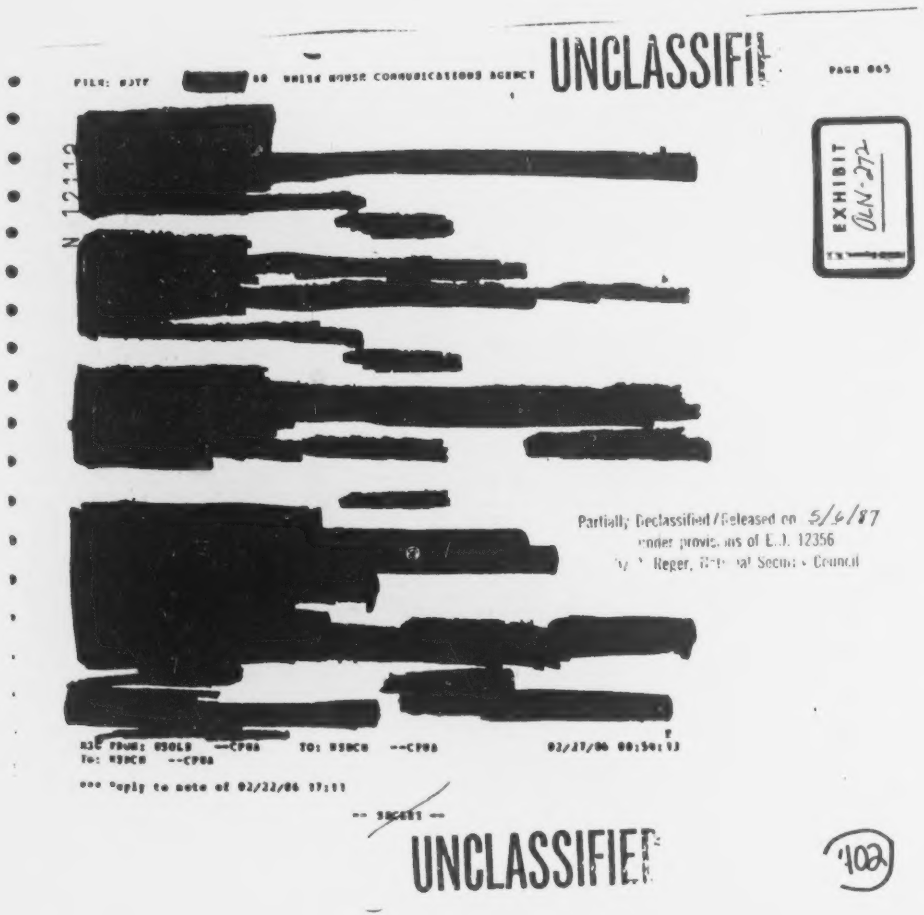
~~TOP SECRET~~

EXHIBIT OLN-272



FILE: WJTF [redacted] 00 WHITE HOUSE COMMUNICATIONS AGENCY UNCLASSIFIED PAGE 005

N 12112

EXHIBIT
OLN-272

[redacted]

[redacted]

[redacted]

[redacted]

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under provisions of E.O. 12356
by [illegible] Reger, National Security Council

[redacted]

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RSC FROM: NSOLN   --CPUA      TO: NSJMP   --CPUA                02/27/86 00:50:13
To: NSJMP   --CPUA

*** Reply to note of 02/22/86 17:11
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N 12120

FILE: DATE [redacted] 86 .TE HOUSE COMMUNICATIONS AGENCY UNCLASSIFIE PAGE

NOTE FROM: OLIVER NORTH
Subject: How are things?

Just returned last night from mtg w/ in Frankfurt. If nothing else the meeting served to emphasize the need for direct contact with these people rather than continue the process by which we deal through intermediaries like Ghorbanifar. Because CIA wd not provide a translator for the session, we used Albert Hakim, an AMCIT who runs the European operation for our Nicaraguan resistance support activity. [redacted] accompanied me that I wd have someone along who wd provide an "objective" account.

Throughout the session, Ghorbanifar intentionally distorted much of the translation and had to be corrected by our man on occasions so numerous that finally had Albert translate both ways. Assessment of mtg & agreement we reached as follows: has authority to make his own decisions on matters of great import. --He does not have to check back w/ Tehran on decisions take. --The govt. of Iran is terrified of a new Soviet threat. --They are seeking a rapprochement but are filled w/ fear & distrust. --All hostages will be released during rpt during the next meeting. --They want next mtg urgently and have suggested Qeshm Is. off Bandar Abbas. --They are less interested in Iran/Iraq war than we originally believed. --They want technical advice more than arms or intelligence. --Tech advice shd be on commercial & military maintenance - not mil tactics --They committed to end anti-U.S. terrorism. --They noted the problems of working thru intermediaries & prefer dir. contact /noted that this was first USG/GOI contact in more than 5yrs. important tremendous risks to both sides -- noted need for secrecy. stressed that there were not Sov. moves/threats that we were unaware of. While all of this could be so much smoke, I believe that we may well be on the verge of a major breakthrough - not only on the hostages/terrorism but on the relationship as a whole. We need only to go to this meeting which has no agenda other than to listen to each other to release the hostages and start the process. Have briefed both JMP and Casey -- neither very enthusiastic despite North summary along lines above. Believe that you shd be chartered to go early next wk - or maybe this weekend - but don't know how to make this happen. Have not told JMP that this note is being sent. Help. Pls call on secure yr earliest convenience. Warm, but fatigued regards, North

2 How are things?

MSG FROM: NSOLN --CPUA TO: NSMCF --CPUA 02/27/86 20:11:51
To: NSMCF --CPUA

*** Reply to note of 02/27/86 16:02

-- ~~SECRET~~ --

NOTE FROM: OLIVER NORTH
Subject: Exchanges

Since the session of this morning, met w/ Casey, JMP, [redacted] Clair George and all have now agreed to press on. Believe we are indeed headed in the right direction. Just finished lengthy session w/ JMP he indicated that he has passed substance to you and has given me dates that you are not avail.

Will endeavor to sched. mtg so that these do not conflict but noted to JMP that it was their call as to date of mtg. Just rec'd msg fm Secord via secure device we are using, has again reaffirmed that once we have set a date we shall have a very pleasant surprise. Dick & I believe that they may be preparing to release one of the hostages early. Dick also indicated that yr counterpart at the mtg wd be Rafsanjani. Nice crowd you run with! God willing

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FILE: NOTF [redacted] WHITE HO / COMMUNICATIONS AGENCY PAGE 047

N 12121

Shultz will buy onto this tomorrow when JMP brief him. With the grace of the good Lord and a little more hard work we will very soon have five AMCITS home and be on our way to a much more positive relationship than one which barters arms for lives.

I value our friendship and confidence very highly and did not mean to infer that you had revealed these exchanges. By asking that you not indicate same to JMP I was only inferring that I had not told him anything of it so as not to compromise myself at a point in time when he needs to be absolutely certain that this can work. He is, as only you can know, under tremendous pressure on this matter and very concerned that it go according to plan. My part in this was easy compared to him. I only had to deal with our enemies. He has to deal with
the cabinet.Many thanks for yr trust. Warm regards, North

Exchanges

MSG FROM: NSOLN --CPUA TO: NSRCM --CPUA 02/27/86 20:22:22
To: NSRCM --CPUA

*** Reply to note of 02/27/86 19:02

-- ~~SECRET~~ --

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NOTE FROM: OLIVER NORTH
Subject: How are things?
Am reading things out of sequence due to fatigue. Many thanks for yr note. Have responded to most of this in my reply re exchanges - before I read this one. Yr concerns re Mike are shared here. WILCO re the passing of info. He means well but poses a significant problem. Nir says he has info that Mike has a financial relationship w/ Gorba, Nimrodi and perhaps Schwimmer. If true, this is not good. We also know that Gorba tells Mike everything and that is an additional reason to get Gorba out of the long range picture ASAP. We will still need to have him involved in the TOWs transactions since he manages the financial end for the Iranians in Europe. We ought to sit quietly and think about how we handle Mike so that he does not start talking out of disgruntlement (if that's a word). Have asked JMP for a session w/ you and Dick Secord as soon as possible after Dick returns tomorrow night fm Nic where he is setting up an arms delivery for the Nic resistance. A man of many talents ol' Secord is. Must be off. Am supposed to make a speech on aiding the Nic resistance to a group of supporters. Best regards, North

How are things?

[redacted]

[redacted]

-- SECRET --

[redacted]

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From NSRCM --CPUA Date and time 02/27/86 21:37:48
To: NSOLN --CPUA

*** Reply to note of 02/27/86 20:11

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N 41077

1363

NOTE FROM: ROBERT MCFARLANE
Subject: Exchanges
No sweat GI. I just sent a separate note about not shar9ing with John because I had forgotten to put it in the other note. And I fully understand the narrow path he is trying to walk between those who want to go balls out for the wrong reasons (Regan) and those who don't want to do it at all (GPS and Cap). So play
it any way you must. As for my commitments don't worry about them; set it up any way you wish that it works for them. I only mentioned it to John to ask that he try to give me a heads up soon so that I can cancel--which I am glad to do--with some grace.

1205

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OLNOOP Box 25-5
ADG 4/2/87

FILE: NOTE [redacted] WHITE HOUSE COMMUNICATIONS AGENCY PAGE 001

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N 12122

-- ~~SECRET~~ --

[redacted]

NSC FROM: [illegible] --CPUA TO: [illegible] --CPUA 02/27/86 15:02:23
To: NSOLN --CPUA

*** Reply to note of 02/27/86 08:54

-- ~~SECRET~~ --

NOTE FROM: ROBERT MCFARLANE
Subject: How are things?
Roger Wilco. Well done--if the world only knew how many times you have kept a semblance of integrity and gumption to US policy, they would make you Secretary of State. But they can't know and would complain if they did--such is the state of democracy in the late 20th century. But the mission was terribly promising. As you know I do not hold Gorbanifar in high regard and am particularly glad to hear of apparent authority.

I have just gotten a note from John asking whether or not I could go some time next week and that the President is on board. I agreed. So batten down and get some rest; let this word come to you in channels, but pack your bags to be ready to go in the next week or so. Incidentally, I have had periodic requests from Mike to assist in getting visas for Gorbanifar to come to Switzerland I have refused. Surely if they have any real bona fides they can get a visa in Tehran from the Swiss embassy or somewhere else. I do not intend to tell Mike any of this new info. Recommend against your doing so.

Bravo Zulu.

* How are things?

[redacted]

[redacted]

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under provisions of E.O. 12356
by [illegible] Reger, National Security Council

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EXHIBIT OLN-273

UNCLASSIFIED

TO: BG FOR YOUR EYES ONLY [redacted] FEBRUARY 27, 1986
FROM: TC
SUBJECT: PRESENT SITUATION

THE KEY POINTS YOU SHOULD KNOW ARE:

Congress

- ON TUESDAY, ARTURO, ULVERT, CAMERON, AND ARMSTRONG WIGGENS MET WITH MCCURDY AND SOME 15 MEMBERS.

  ARTURO EXPLAINED UNO IS MOVING FORWARD WITH POSITIVE CHANGES. MCCURDY'S RESPONSE WAS THAT'S ALL WELL AND GOOD AND WE TRUST YOU AND ROBELO, BUT WE DON'T TRUST THE FDN. ACCORDING TO ULVERT, HE AND ARTURO DEFENDED ADOLFO AND THE FDN.

  MCCURDY PURPOSEFULLY ASKED WIGGENS TO SIT NEXT TO HIM. DURING ARMSTRONG'S TORN TO SPEAK, HE REVILED CALERO, THE FDN, KISAN, UNO, THE AGENCY AND ANYONE ELSE HE COULD THINK OF, WHILE SPEAKING IN GLOWING TERMS OF BROOKLYN AND BOS. MCCURDY IS REPORTED AS SAYING BROOKLYN WILL RECEIVE AID WHEN THE PACKAGE IS PASSED. AS HE WAS STATING THIS, ARMSTRONG PIPED IN THAT BOS SHOULD RECEIVE ASSISTENCE TOO AS IT IS TRUELY A REPRESENTATIVE BODY. MCCURDY WAS SAID TO AGREE.

  THE BOTTOM LINE FROM BOTH CAMERON AND ULVERT WAS THERE IS TREMENDOUS DISTRUST OF THE FDN AND THE ADMINISTRATION, AND A BELIEF THAT ROBELO AND CRUZ ARE JUST WINDOW DRESSING TO APPEASE CONGRESS. THE MEMBERS ASKED A NUMBER OF QUESTIONS RELATED TO WHERE THE PROGRAM IS GOING LONG TERM. WILL THE ADMINISTRATION BE BACK IN 18 MONTHS FOR MORE AID?

UNO

- A LIST OF FOUR_SUGGESTIONS HAVE BEEN PRESENTED TO ELLIOT FOR THE BROADENING OF UNO. I UNDERSTAND HE THINKS THEY ARE A GOOD IDEA AND IS GOING TO ASK [redacted] TO SEE THAT THEY ARE MOVED ON. ELLIOT, THROUGH BOB KAGEN, HAS STRESSED FLEXIBILITY IN REGARDS TO ALL OF THEM. THE LIST WAS PRESENTED BY ULVERT AND CAMERON ON BEHALF OF ROBELO AND CRUZ WHO ARE IN AGREEMENT, AT LEAST THAT IS WHAT I UNDERSTAND

  THE POINTS ARE:
  - BOSCO IS SENT OUT OF WASHINGTON. CARLOS, OR WHOEVER IS UNO'S REP IN WASHINGTON, DOES NOT WANT TO HAVE TO WORK WITH A PARRALEL FDN STRUCTURE. BOSCO IS NOT ACCEPTABLE AS A NUMBER 2 IN THE UNO OFFICE.
  - A NEW SECRETARY GENERAL IS NAMED FOR UNO. VALDEVIA IS DUMPED FOR BEING INEFFECTIVE. THE NEW SECRETARY GENERAL WILL HAVE MORE POWER AND BE MORE EFFECTIVE.
  - ALL FUNDS, BE THEY FROM OUTSIDE SOURCES OR USG SOURCES, GO INTO AN UNO ACCOUNT. NO MORE PRIVATE FDN ACCOUNTS.
  - A COORDINATOR FOR THE TRIPLE A BE NAMED. THE OBVIOUS PERSON BEING SUGGESTED IS CRUZ. THIS IS NOT NECESSARILY A MAJOR POINT, AS IT IS NOT A MANDATORY CHANGE, JUST A SUGGESTION.

Box 5-5
12/17/86
RWK

[redacted]

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3G
2/27/86
PAGE 2

[redacted]

ULVERT WAS NEVER CONTACTED BY ANYONE ABOUT HIS APPOINTMENT. HE ONLY HEARD ABOUT IT THROUGH THE GRAPEVINE, AND IT WAS ASSUMED HE KNEW.

WHILE IN WASHINGTON, HE MET WITH A NUMBER OF PEOPLE INCLUDING: ABRAMS, KAGEN, MCCURDY ET ALL. NOT THAT IT MATTERS, BUT HE STILL IS AN ASSET.

- WEDNESDAY, FEBRUARY 26, ULVERT, CRUZ, AND JAMES LEMOYNE OF THE N.Y. TIMES LEFT FOR [redacted] AND THE GRADUATION. ROBELO IS SUPPOSED TO MEET THEM THERE.

[illegible]

- THE LETHAL SUPPLIES WERE STILL IN [redacted] AS OF THE BEGINNING OF THIS WEEK. THE AGENCY TOLD [redacted] EAST AND COMPANY ARE NOT TO MOVE THE GOODS. EAST SAYS HE WILL, BUT HE JUST NEEDS ANOTHER ACCOUNT TO CHARGE IT TO. DO YOU HAVE ONE IN MIND?

  LAST THURSDAY [redacted] TOLD ME IN [redacted] THE CARRIBOUS WERE NOT TO BE FLOWN OVER THE BORDER, AT LEAST THIS IS WHAT WASHINGTON WAS TELLING [redacted] HE ALSO SAID IF THEY ARE FLOWN IN, GRINGOS ARE NOT TO FLY THEM, AND THEY CERTAINLY ARE NOT TO FLY LETHAL CARGO. EAST'S COMMENT IS "I'LL FLY ANYTHING ANYWHERE, JUST GIVE ME AN ACCOUNT."

- NEGRO'S PEOPLE ARE STILL WAITING FOR A DROP. AS A SHOW OF GOOD FAITH, THEY WANT [redacted] RDS OF FAL AND [redacted] RDS OF AK. ADVISE YOU CHECK ON WHERE THIS STANDS.

*

- THE TEAM OF BROOKLYN'S PEOPLE ARE STILL WAITING FOR SOME LETHAL HARDWARE TO TAKE IN WITH THEM. A REQUEST WENT FROM [redacted] BUT UNDERSTAND THERE STILL IS NO MOVEMENT. AM TOLD MAX CAN ACQUIRE THE NECESSARY GOODS IN [redacted] FOR UNDER $6,000. ANY THOUGHTS?

- AM TOLD DUEMLING WAS ASKED BY ABRAMS TO STAY ON UNTIL JULY. IF THIS IS THE CASE, WOULD SUGGEST BUESSLER IS FIRED. HAVE MET NOONE WHO LIKES WORKING WITH HIM.

MY BIGGEST CONCERN IS THIS WHOLE EFFORT HAS TURNED INTO A THREE RING CIRCUS WITHOUT A RINGMASTER. THERE IS NO CENTRAL LEADERSHIP. ELLIOT AND STATE ARE TRYING TO FILL PAR OF THE VACCUM, BUT THEY ARE NOT OPERATIONALLY ORIENTED.

A LOT OF LIP SERVICE IS BEING GIVEN TO THE EFFORT IN CONGRESS, BUT NOONE SEEMS TO KNOW WHO IS ORCHESTRATING THE LEGISLATIVE STRATEGY ON THE HILL. CAMERON AND ABRAMS ALONG WITH KAGEN SEEM TO BE AT THE HELM.

* Can we bring in 707 with [redacted]?

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under provisions of E.O. 12356
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2302

THE WHITE HOUSE
WASHINGTON

N 6694

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN M. POINDEXTER

SUBJECT: Special Mission and Letters to the Presidents of El Salvador and Honduras

Issue

How best to reassure Presidents Napoleon Duarte of El Salvador and Jose Azcona of Honduras of our resolve and commitment.

Background

After the negative vote on military assistance in April 1985, the Honduran Government reacted [redacted] In El Salvador, President Duarte was severely criticized by his political left for supporting the U.S. proposal.

Today's House vote against additional assistance to the Nicaraguan democratic resistance is liable to have the same effect, unless steps are taken to reassure both Presidents. [redacted] A trip by a high-level delegation will help to reassure them (and their military) of our determination to succeed in aiding the resistance and in ensuring their security. Letters to both Presidents (Tabs A and B) address specific concerns raised in discussions with our embassies this afternoon.

Discussion

As a result of the National Security Planning Group meeting this afternoon, it was decided to dispatch Assistant Secretary Elliott Abrams, General Jack Galvin (USSOUTHCOM), and a team of specialist to the region. The visit by the team and the letters at Tabs A and B will assure the Governments of El Salvador and

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N 6695

Honduras that regardless of today's vote, you, personally, and the Administration are determined that the Nicaraguan resistance will receive the support their deserve. In Honduras, we are prepared to provide expedited and, if necessary, enhanced security assistance to deal with their border problem. We are also prepared to release a portion of the $100M in Honduran ESF which has been withheld pending internal economic reforms. The visit to El Salvador and your letter to President Duarte are more symbolic but, nonetheless, essential.

Recommendation

OK No

_____ _____ That you sign the letters at Tabs A and B.

Prepared by:
Oliver L. North

Attachments
Tab A - Letter to Duarte
Tab B - Letter to Azcona

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N 12132

[redacted]

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EXHIBIT
OLN-275

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MSG FROM: NSJMP   --CPUA      TO: NSOLN   --CPUA              04/01/86 12:57:05
To: NSOLN   --CPUA     OLLIE NORTH
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-- ~~SECRET~~ --

NOTE FROM: JOHN POINDEXTER
SUBJECT: IRAN
IF WE CAN MANAGE IT, THE VP WOULD APPRECIATE IT IF THE IRAN TRIP DID NOT TAKE PLACE UNTIL HE LEAVES SAUDI ARABIA. IF THAT SCREWS UP PLANNING TOO MUCH, THEN HE WILL UNDERSTAND THAT WE CAN'T DO IT.
  J IRAN

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MSG FROM: NSRCM   --CPUA      TO: NSOLN   --CPUA              04/04/86 21:11:08
To: NSOLN   --CPUA
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-- ~~SECRET~~ --

NOTE FROM: ROBERT MCFARLANE
SUBJECT: Odds and Ends

I've been thinking about the blowpipe problem and the Contras.

How are you coming on the loose ends for the material transfer? Anything I can do? If for any reason, you need some mortars or other artillery--which I doubt--please let me know.
   Odds and Ends

[redacted]

-- ~~SECRET~~ --

[redacted]

NP

[redacted]

[redacted]

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(425)

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From: NSJMP --CPUA   Date and time 04/16/86 19:02:42
To: NSOLN --CPUA

N 9212

*** Reply to note of 04/16/86 16:40

-- ~~SECRET~~ --

NOTE FROM: JOHN POINDEXTER
Subject: PRIVATE BLANK CHECK

You may go ahead and go, but I want several points made clear to them. There are not to be any parts delivered until all the hostages are free in accordance with the plan that you layed out for me before. None of this half shipment before any are released crap. It is either all or nothing. Also you may tell them that the President is getting very annoyed at their continual stalling. He will not agree to any more changes in the plan. Either they agree finally on the arrangements that have been discussed or we are going to permanently cut off all contact. If they really want to save their asses from the Soviets, they should get on board. I am beginning to suspect that   doesn't have much authority.

cc: NSPBT --CPUA   PAUL THOMPSON

[illegible] 5/6/87
[illegible] E.O. 12[illegible]
[illegible]

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OLN-276

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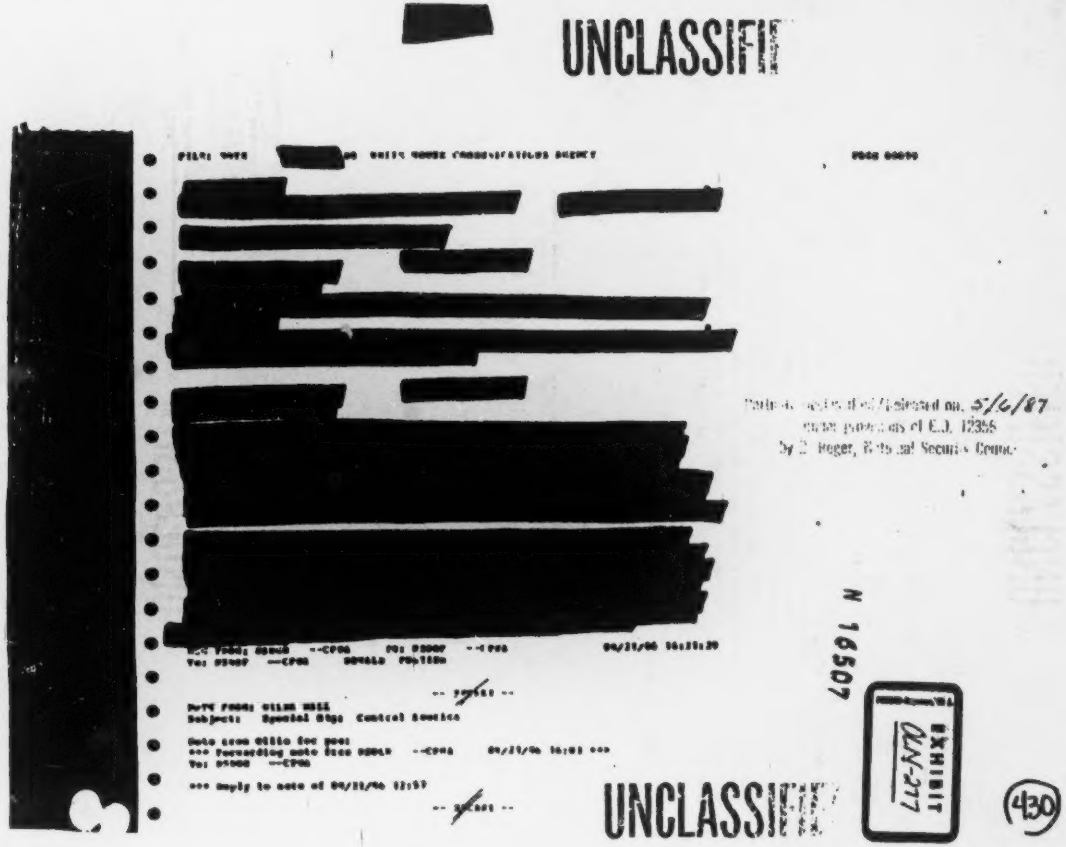
EXHIBIT OLN-277



[redacted] UNCLASSIFIED

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by [illegible] Reger, National Security Council

PRINT: NOTE [redacted] -- WHITE HOUSE COMMUNICATIONS AGENCY PAGE 00010

[redacted]

*** FROM: NSWRP --CPUA TO: NSDRF --CPUA 04/21/86 16:23:29
To: NSDRF --CPUA DONALD FORTIER

-- ~~SECRET~~ --

NOTE FROM: OLIVER NORTH
Subject: Special Ops: Central America

Note from Ollie for you:
*** Forwarding note from NSOLN --CPUA 04/21/86 16:03 ***
To: NSWRP --CPUA

*** Reply to note of 04/21/86 12:57

-- ~~SECRET~~ --

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EXHIBIT
OLN-277

N 16507

(430)

[redacted]

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[redacted]

[illegible] [redacted] -- WHITE HOUSE COMMUNICATIONS AGENCY [illegible]

NOTE FROM: OLIVER NORTH
Subject: Special Ops: Central America

Bill, please pass to Dan: This weekend's trip to Honduras and El Salvador was the most depressing venture in my four years of working the Contra issue. There is great anxiety that the Congress will not act in time to stave off a major defeat for the resistance. This [illegible] exists in the Govts. of Honduras and El Salvador but most alarmingly is now evident in the resistance itself. The lack of a viable source of resupply has not only affected combat operations, it is now beginning to affect the political viability of the UNO leadership. Bermudez, in front of the Southern Front commander, El Negro Chamorro questioned the need for UNO and the drain on scarce resources to support the Atlantic and Southern fronts. While he committed to send in 4-5000 troops in the next few days, he openly admitted in front of that they'd have to come back out in 15-20 days if there is no resupply. In sum, their most pressing need is for anti-air, but other things are now running short as well. The entire force is back to 1 meal per day and no more boots, uniforms, packs, ponchos or weapons are available for the new recruits. All new trainees will be turned away effective today. All hospitalization for UNO will cease at the end of the month. Troops returning to Nicaragua this week will carry only 70-100 rounds of ammo instead of the 500 they had been carrying. No new radio batteries are available so there is no way to pass commands or intelligence.

The picture is, in short, very dismal unless a new source of "bridge" funding can be identified. While we should not raise specific sources with et al, we need to explore this problem urgently or there won't be a force to help when the Congress finally acts. Best regards, North

Special Ops: Central America

[redacted]

[redacted]

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N 16508

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(431)

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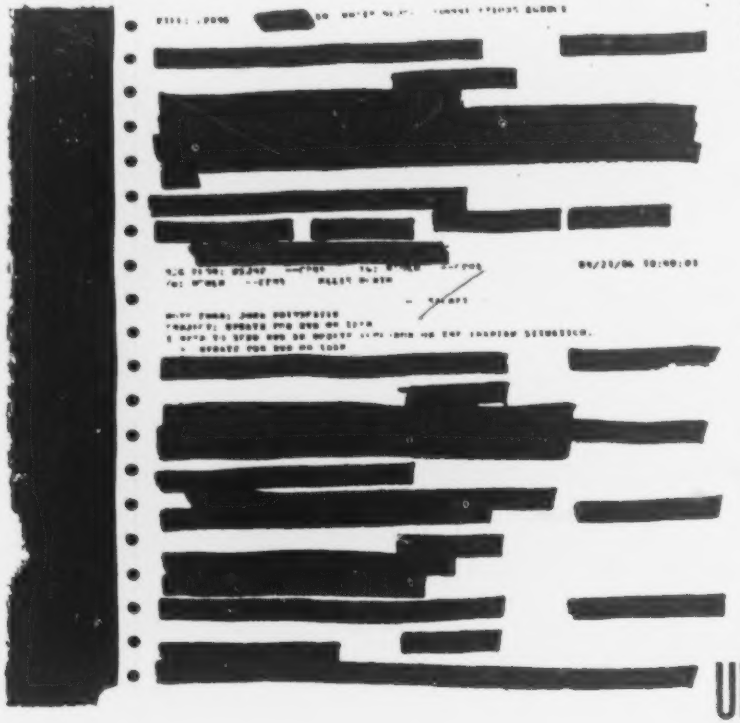

[redacted]

[illegible] [redacted] [illegible]

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N 17748

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N 17749

[redacted]

[illegible] [redacted] [illegible] PAGE 052

[redacted]

[redacted]

MSG FROM: NSJMP --CPUA [illegible] 04/22/86 [illegible]
To: [illegible] --CPUA [illegible]

-- ~~SECRET~~ --

NOTE FROM: JOHN POINDEXTER
Subject: UPDATE FOR [illegible]
[illegible] to the update on discussed on Saturday, [illegible] wants all of the HAWK parts delivered before the hostages are released. I have told Ollie that we can not do that. The sequence has to be 1) meeting; 2) release of hostages; 3) delivery of HAWK parts. The President is getting quite discouraged by this effort.

This will be our last attempt to make a deal with the Iranians. Next step is a Frankfurt meeting with Gorba, [illegible] (North and Cave. Sorry for the uncertainty.

*** Forwarding note from [illegible] --CPUA 04/21/86 20:33 ***
To: NSJMP --CPUA

*** Reply to note of 04/21/86 14:50

-- ~~SECRET~~ --

NOTE FROM: OLIVER NORTH
Subject: UPDATE FOR [illegible]
Current situation: Both Charlie Allen and [illegible] have been in touch w/ Gorba in an effort to set up a meeting with [illegible] in Europe. As [illegible]
the [illegible] is apparently trying to extract additional [illegible] from us

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EXHIBIT OLN-279

EXHIBIT
OLN-279

N 12502

Subject: UPDATE FOR BUD ON IRAN

Here is the update we discussed on Saturday. [redacted] wants all of the Hawk parts delivered before the hostages are released. I have told Ollie that we can not do that. The sequence has to be 1) meeting; 2) release of hostages; 3) delivery of Hawk parts. The President is getting quite discouraged by this effort.

This will be our last attempt to make a deal with the Iranians. Next step is a Frankfurt meeting with Gorba, [redacted] North and Cave. Sorry for the uncertainty.

*** Forwarding note from NSOLN --CPUA 04/21/86 20:31 ***

To: NSJMP --CPUA

*** Reply to note of 04/21/86 18:40

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by B. Reger, National Security Council

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NOTE FROM: OLIVER NORTH

Subject: UPDATE FOR BUD ON IRAN

Current situation: Both Charlie Allen and Nir have been in touch w/ Gorba in an effort to set up a meeting with [redacted] in Europe. We know [redacted] that [redacted] is apparently trying to extract additional concessions from us

1766

JMP 19 /02 ⑧

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UNCLASSIFIED [redacted]

FILE: APR86 [redacted] WHITE HOUSE COMMUNICATIONS AGENCY

N 12503

prior to releasing the Americans. George Cave, our resident expert believes that [redacted] had probably received some kind of authority to cause the release of the hostages prior to our Libyan action and that the current delays and efforts to force new concessions are a consequence of internal disputes over what the Iranians should do about this matter in the wake of the U.S. action in Libya. Gorba has been out of touch all day and Cave/North cancelled the trip to Frankfurt for a second time because we do not want to meet again w/ only Gorba. [redacted]

If the mtg takes place this week it would still be a minimum of eight and a maximum of 10 days from deposit of funds before we can assemble the requisite parts. We do not believe they will make this deposit until after the mtg. We also need to make it known that we simply do not have some of the parts requested since we have modernized our HAWK systems. I have sent Nir a coded msg asking him to determine whether or not they have in stock the items which we lack. If it is determined that they do not have them we will have to determine the effect this will have on the understanding we reached last week w/ Gorba. Nir believes that the Israelis will be able to give us an answer in the next 2 days. Cave and North are prepared to launch again tomorrow if Gorba surfaces and has set up a mtg w/ [redacted] Bottom line: earliest timeframe for RCM/Cave/North trip to Iran is 30 April and this will slip a day for every day of delay in the
Frankfurt mtg & its complementary financial transaction. Warm regards, North

UPDATE FOR BUD ON IRAN
MSG FROM: NSJMP --CPUA TO: NSOLN --CPUA 04/22/86 14:49:16
To: NSOLN --CPUA

JMP 9/152

*** Reply to note of 04/21/86 20:31

-- ~~SECRET~~ --

NOTE FROM: JOHN POINDEXTER
Subject: UPDATE FOR BUD ON IRAN
Thanks. I have forwarded your note to Bud with a cover that says that this will be our last attempt to get agreement on a deal with them.

⑤

UPDATE FOR BUD ON IRAN
MSG FROM: NSJMP --CPUA TO: NSOLN --CPUA 04/22/86 14:50:36
To: NSOLN --CPUA

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TOP SECRET [redacted]

EXHIBIT OLN-280

SECRET

- [illegible]
- [illegible]

#17

Copp: 4/28/86 1035

281515Z Apr 86.

1. Olmstead here in office and is meeting with Grant at 1400 today. Abe still in Copenhagen with our lawyer finalizing purchase of ship. Deal has been made after thre days of negotiations. The Danish captain is up and eager for the mission -- he now works for us. We are asking Grant for firm fixed price contract of $1.2M for six months. He will probably balk at this price since he wants to go month to month, but we have to self insure a vessel worth over 400K and a three-man crew. Our rough guess is that our monthly operating costs will be 50K -- the average charge per month for a vessel fo this type is 150K. Therefore, we are asking 50K per month for risk.

2. Tom is in London now trying to get on road to complete BP deal.

[redacted]

4May87

4. Where do we stand with Adam?

5. No new deposits. Rgds. Dick. BT

★ 6. NEED TO GET CODES & [illegible] TO

SECRET

EXHIBIT
OLN-280

EXHIBIT OLN-281

SECRET UNCLASSIFIED SECRET 6293

Copp: 4/23/86 1330

2317452 Apr 86.

[illegible] Released on 5-19-87
[illegible] provisions of E.O. 12356
[illegible] National Security Council

1. Infiltration of Blacky by maule delayed indefinitely by [redacted] Seems Blacky has developed severe case of lack of guts. Drop to 20 Indians still on for end of week.

2. Pls try and get Ob intel data for southern part of Nicaragua -- especially radar predictions.

3. Olmstead meeting grant at 1400 today. Will advise.

4. [redacted] thinks he will have a deal presented [redacted] tomorrow for 5 launchers and 15 msls. They want to sell 10 launchers and 30 msls but will do it in 2 traunches if we want. Rgds. BT

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EXHIBIT
OLN-281

EXHIBIT OLN-282

#13

UNCLASSIFIED

~~[illegible]~~

101515EST APR86

Part 1. Need EUC on letterhead as follows... Certification de Destino final. Address to Lake Resources, Inc., P.O. Box 7284, Panama, Rep of Panama. Suggested text is... requires 30 man-portable, surface-to-air missile systems of the British blow pipe type. These systems are for the exclusive use of the , and for defensive purposes. This systems should be shipped to [redacted] Signed by official. Letter should be stamped with official seal if available.

Part 2. Good luck tonite.

Regards

BT

4 May 87

EXHIBIT
OLN-282

EXHIBIT OLN-283

[illegible]

IRAN

N 7514

4 May 87

EXHIBIT
OLN-283

~~TOP SECRET~~ U ~~TOP SECRET~~ #55a
SENSITIVE

RELEASE OF AMERICAN HOSTAGES IN BEIRUT N 7515

Background. In June 1985, private American and Israeli citizens commenced an operation to effect the release of the American hostages in Beirut in exchange for providing certain factions in Iran with U.S.-origin Israeli military materiel. By September, U.S. and Israeli Government officials became involved in this endeavor in order to ensure that the USG would:

-- not object to the Israeli transfer of embargoed materiel to Iran;

-- sell replacement items to Israel as replenishment for like items sold to Iran by Israel.

On September ~~14~~ 3, the Israeli Government, with the endorsement of the USG, transferred 508 basic TOW missiles to Iran. Forty-eigh hours later, Reverend Benjamin Weir was released in Beirut.

Subsequent efforts by both governments to continue this process have met with frustration due to the need to communicate our intentions through an Iranian expatriate arms dealer in Europe. In January 1986, under the provisions of a new Covert Action Finding, the USG demanded a meeting with responsible Iranian government officials.

On February 20, a U.S. Government official met with

the first direct U.S.-Iranian contact in over five years. At this meeting, the U.S. side made an effort to refocus Iranian attention on the threat posed by the Soviet Union and the need t establish a longer term relationship between our two countries based on more than arms transactions. It was emphasized that th hostage issue was a "hurdle" which must be crossed before this improved relationship could prosper. During the meeting, it als became apparent that our conditions/demands had not been accurat transmitted to the Iranian Government by the intermediary and it was agreed that:

-- The USG would establish its good faith and bona fides by immediately providing 1,000 TOW missiles for sale to Iran. This transaction was covertly completed on February 21, using a private U.S. firm and the Israelis as intermediari

-- A subsequent meeting would be held in Iran with senior U.S and Iranian officials during which the U.S. hostages would be released.

-- Immediately after the hostages were safely in our hands, t U.S. would sell an additional 3,000 TOW missiles to Iran using the same procedures employed during the September 19 transfer.

~~TOP SECRET~~ ~~TOP SECRET~~ SENSITIVE
Declassify: OADR

Released on 4 May 87
under provisions of E.O.
by B. Reger, National Security Council

N 7516

In early March, the Iranian expatriate intermediary demanded that Iranian conditions for release of the hostages now included the prior sale of 200 PHOENIX missiles and an unspecified number of HARPOON missiles, in addition to the 3,000 TOWs which would be delivered after the hostages were released. A subsequent meeting was held with the intermediary in Paris on March 8, wherein it was explained that the requirement for prior deliveries violated the understandings reached in Frankfurt on February 20, and were therefore unacceptable. It was further noted that the Iranian aircraft and ship launchers for these missiles were in such disrepair that the missiles could not be launched even if provided

From March 9 until March 30, there was no further effort undertaken on our behalf to contact the Iranian Government or the intermediary. On March 26 made an unsolicited call to the phone-drop in Maryland which we had established for this purpose. asked why we had not been in contact and urged that we proceed expeditiously since the situation in Beirut was deteriorating rapidly. He was informed by our Farsi-speaking interpreter that the conditions requiring additional materiel beyond the 3,000 TOWs were unacceptable and that we could in no case provide anything else prior to the release of our hostages. observed that we were correct in our assessment of their inability to use PHOENIX and HARPOON missiles and that the most urgent requirement that Iran had was to place their current HAWK missile inventory in working condition. In a subsequent phone call, we agreed to discuss this matter with him and he indicated that he would prepare an inventory of parts required to make their HAWK systems operational. This parts list was received on March 28, and verified by CIA.

Current Situation. On April 3, Ari Gorbanifahr, the Iranian intermediary, arrived in Washington, D.C. with instructions from [redacted] to consummate final arrangements for the return of the hostages. Gorbanifahr was reportedly enfranchised to negotiate the types, quantities, and delivery procedures for materiel the U.S. would sell to Iran through Israel. The meeting lasted nearly all night on April 3-4, and involved numerous calls to Tehran.

A Farsi-speaking CIA officer in attendance was able to verify the substance of his calls to Tehran during the meeting. Subject to Presidential approval, it was agreed to proceed as follows:

-- By Monday, April 7, the Iranian Government will transfer $17 million to an Israeli account in Switzerland. The Israelis will, in turn, transfer to a private U.S. corporation account in Switzerland the sum of $15 million.

-- On Tuesday, April 8 (or as soon as the transactions are verified), the private U.S. corporation will transfer $3.651 million to a CIA account in Switzerland. CIA will then transfer this sum to a covert Department of the Army account in the U.S.

-- On Wednesday, April 9, the CIA will commence procuring $3.651 million worth of HAWK missile parts (240 separate line items) and transferring these parts to [redacted] This process is estimated to take seven working days.

-- On Friday, April 18, a private U.S. aircraft (707B) will pick-up the HAWK missile parts(,and fly them to a covert Israeli airfield for prepositioning (this field was used for the earlier delivery of the 1000 TOWs). At this field, the parts will be transferred to an Israeli Defense Forces' (IDF) aircraft with false markings. A SATCOM capability will be positioned at this location.

-- On Saturday, April 19, McFarlane, North, Teicher, Cave, and a SATCOM communicator will board a CIA aircraft in Frankfurt, Germany, enroute to Tehran.

-- On Sunday, April 20, the following series of events will occur:

  - U.S. party arrives Tehran (A-hour) -- met by Rafsanjani, as head of the Iranian delegation.
  - At A+7 hours, the U.S. hostages will be released in Beirut.
  - At A+15 hours, the IDF aircraft with the HAWK missile parts aboard will land at Bandar Abbas, Iran.

Discussion. The following points are relevant to this transaction, the discussions in Iran, and the establishment of a broader relationship between the United States and Iran:

-- The Iranians have been told that our presence in Iran is a "holy commitment" on the part of the USG that we are sincere and can be trusted. There is great distrust of the U.S. among the various Iranian parties involved. Without our presence on the ground in Iran, they will not believe that we will fulfill our end of the bargain after the hostages are released.

~~TOP SECRET~~ [illegible] **SENSITIVE**

N 7518

-- [redacted] , Further, the Iranians are well aware that the situation in Beirut is deteriorating rapidly and that the ability of the IRGC to effect the release of the hostages will become increasingly more difficult over time.

-- We have convinced the Iranians of a significant near term and long range threat from the Soviet Union. We have real and deceptive intelligence to demonstrate this threat during the visit. They have expressed considerable interest in this matter as part of the longer term relationship.

-- We have told the Iranians that we are interested in assistance they may be willing to provide to the Afghan resistance and that we wish to discuss this matter in Tehran.

-- The Iranians have been told that their provision of assistance to Nicaragua is unacceptable to us and they have agreed to discuss this matter in Tehran.

-- We have further indicated to the Iranians that we wish to discuss steps leading to a cessation of hostilities between Iran and Iraq.

-- The Iranians are well aware that their most immediate needs are for technical assistance in maintaining their air force and navy. We should expect that they will raise this issue during the discussions in Tehran. Further conversation with Gorbanifahr on April 4, indicates that they will want to raise the matter of the original 3,000 TOWs as a significant deterrent to a potential Soviet move against Iran. They have also suggested that, if agreement is reached to provide the TOWs, [redacted] We have agreed to discuss this matter.

-- The Iranians have been told and agreed that they will receive neither blame nor credit for the seizure/release of the hostages.

~~TOP SECRET~~ ~~TOP SECRET~~ **SENSITIVE**

N 7519

-- The residual funds from this transaction are allocated as follows:

  - $2 million will be used to purchase replacement TOWs for the original 508 sold by Israel to Iran for the release of Benjamin Weir. This is the only way that we have found to meet our commitment to replenish these stocks.

  - $12 million will be used to purchase critically needed supplies for the Nicaraguan Democratic Resistance Forces. This materiel is essential to cover shortages in resistance inventories resulting from their current offensives and Sandinista counter-attacks and to "bridge" the period between now and when Congressionally approved lethal assistance (beyond the $25 million in "defensive" arms) can be delivered.

The ultimate objective in the trip to Tehran is to commence the process of improving U.S.-Iranian relations. Both sides are aware that the Iran-Iraq War is a major factor that must be discussed. We should not, however, view this meeting as a session which will result in immediate Iranian agreement to proceed with a settlement with Iraq. Rather, this meeting, the first high-level U.S.-Iranian contact in five years, should be seen as a chance to move in this direction. These discussions, as well as follow-on talks, should be governed by the Terms of Reference (TOR) (Tab A) with the recognition that this is, hopefully, the first of many meetings and that the hostage issue once behind us, improves the opportunities for this relationship

Finally, we should recognize that the Iranians will undoubtedly want to discuss additional arms and commercial transactions as "quids" for accommodating ([redacted] , Nicaragua, and Iraq. Our emphasis on the Soviet military and subversive threat, a useful mechanism in bringing them to agreement on the hostage issue, has also served to increase their desire for means to protect themselves against/deter the Soviets.

RECOMMENDATION

That the President approve the structure depicted above under "Current Situation" and the Terms of Reference at Tab A.

Approve ____ Disapprove ____

Attachment
Tab A - U.S.-Iranian Terms of Reference

~~SECRET~~ ~~SECRET~~ SENSITIVE

April 4, 1986

TERMS OF REFERENCE
U.S.-Iran Dialogue

N 7520

I. BASIC PILLARS OF U.S. FOREIGN POLICY (Optional)

-- President Reagan came into office at a time when Iran had had a certain impact on the American political process -- perhaps not what you intended.

-- The President represented and embodied America's recovery from a period of weakness. He has rebuilt American military and economic strength.

-- Most important, he has restored American will and self-confidence. The U.S. is not afraid to use its power in defense of its interests.

✓ [redacted]

-- At the same time, we are prepared to resolve political problems on the basis of reciprocity.

-- We see many international trends -- economic, technological and political -- working in our favor.

II. U.S. POLICY TOWARD IRAN: BASIC PRINCIPLES

A. U.S. Assessment of Iranian Policy.

- We view the Iranian revolution as a fact. The U.S. is not trying to turn the clock back.

- Our present attitude to Iran is not a product of prejudice or emotion, but a clear-eyed assessment of Iran's present policies.

- Iran has used "revolutionary Islam" as a weapon to undermine pro-Western governments and American interests throughout the Middle East. As long as this is Iran's policy, we are bound to be strategic adversaries.

- Support of terrorism and hostage-taking is part of thi strategic pattern. We see it used not only against us but against our friends. We cannot accept either. Your influence in achieving the release of all hostage return of those killed (over time) is essential.

~~SECRET~~
Declassify: OADR ~~SECRET~~ SENSITIVE

- We see your activity in many parts of the world, including even Central America.

- The U.S. knows how Iran views the Soviet Union. But subversion of Western interests and friends objectively serves Soviet interests on a global scale.

- Thus, our assessment is that a decisive Iranian victory in the war with Iraq would only unleash greater regional instability, a further erosion of the Western position, and enhanced opportunities for Soviet trouble-making.

- The U.S. will therefore do what it can to prevent such a development. We regard the war as dangerous in many respects and would like to see an end to it.

B. Possible Intersections of U.S.-Iranian Interests.

- Despite fundamental conflicts, we perceive several possible intersections of U.S. and Iranian interests. I propose we explore these areas.

- First, the U.S. has had a traditional interest in seeing Iran preserve its territorial integrity and independence. This has not changed. The U.S. opposes Soviet designs on Iran.

- Second, we have no interest in an Iraqi victory over Iran.

  ; We are seeking an end to this conflict and want to use an improved relationship with Iran to further that end.

- Third, we have parallel views on Afghanistan. Soviet policy there is naked aggression, a threat to all in the region.

  But our objective is the same: the Soviets must get out and let the Afghan people choose their own course.

C. U.S. Objective Today.

- We have no illusions about what is possible in our bilateral relations. Perhaps this meeting will reveal only a limited, momentary, tactical coincidence of interests. Perhaps more. We are prepared either way.

- In essence, we are prepared to have whatever kind of relationship with Iran that Iran is prepared to have with us.

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III. SOVIET MILITARY POSTURE

-- Moscow has designs on parts of Iran.([redacted]

-- Afghanistan illustrates the price the Soviets are ready to pay to expand areas under their direct control.

-- Summarize Soviet capabilities along border and inside Afghanistan which could threaten Tehran.

-- U.S. is aware of Soviet activity)

-- Soviet plans( ) How they would do it.

-- Iranian support to Sandinista regime in Nicaragua aids and abets Soviet designs -- makes U.S.-Iranian relationship more difficult ($100 million in oil last year, plus arms).

-- U.S. can help Iran cope with Soviet threat.

IV. AFGHANISTAN

-- May be real value for Iran and U.S. to find ways to cooperate against Moscow in Afghanistan.

-- U.S. can provide humanitarian assistance for refugees( )

-- We need to know who you work with, what you already provide and devise strategy to exploit Iranian comparative advantage.

V. HARDWARE

-- We may be prepared to resume a limited military supply relationship.

-- However, its evolution and ultimate scope will depend on whether our convergent or our divergent interests come to loom larger in the overall picture.

-- What does Iran want?

~~SECRET~~ ~~SECRET~~ SENSITIVE

EXHIBIT OLN-283A

~~TOP SECRET~~ UNCLASSIFIED SENSITIVE

RELEASE OF AMERICAN HOSTAGES IN BEIRUT

Background. In June 1985, private American and Israeli citizens commenced an operation to effect the release of the American hostages in Beirut in exchange for providing certain factions in Iran with U.S.-origin Israeli military materiel. By September, U.S. and Israeli Government officials became involved in this endeavor in order to ensure that the USG would:

30952

-- not object to the Israeli transfer of embargoed materiel to Iran;

-- sell replacement items to Israel as replenishment for like items sold to Iran by Israel.

On September 13, the Israeli Government, with the endorsement of the USG, transferred 508 basic TOW missiles to Iran. Forty-eight hours later, Reverend Benjamin Weir was released in Beirut.

Subsequent efforts by both governments to continue this process have met with frustration due to the need to communicate our intentions through an Iranian expatriate arms dealer in Europe. In January 1986, under the provisions of a new Covert Action Finding, the USG demanded a meeting with responsible Iranian government officials.

On February 20, a U.S. Government official met with [redacted] the first direct U.S.-Iranian contact in over five years. At this meeting, the U.S. side made an effort to refocus Iranian attention on the threat posed by the Soviet Union and the need to establish a longer term relationship between our two countries based on more than arms transactions. It was emphasized that the hostage issue was a "hurdle" which must be crossed before this improved relationship could prosper. During the meeting, it also became apparent that our conditions/demands had not been accurately transmitted to the Iranian Government by the intermediary and it was agreed that:

-- The USG would establish its good faith and bona fides by immediately providing 1,000 TOW missiles for sale to Iran. This transaction was covertly completed on February 21, using a private U.S. firm and the Israelis as intermediaries.

-- A subsequent meeting would be held in Iran with senior U.S and Iranian officials during which the U.S. hostages would be released.

-- Immediately after the hostages were safely in our hands, the U.S. would sell an additional 3,000 TOW missiles to Iran using the same procedures employed during the September 1985 transfer.

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~~TOP SECRET~~
~~Declassify: OADR~~

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EXHIBIT
OLN-283A

/Released on 5 June
sions of E.O. 12356
ational Security Counc

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From March 9 until March 30, there was no further effort undertaken on our behalf to contact the Iranian Government or the intermediary. On March 26, [redacted] made an unsolicited call to the phone-drop in Maryland which we had established for this purpose. [redacted] asked why we had not been in contact and urged that we proceed expeditiously since the situation in Beirut was deteriorating rapidly. He was informed by our Farsi-speaking interpreter that the conditions requiring additional materiel beyond the 3,000 TOWs were unacceptable and that we could in no case provide anything else prior to the release of our hostages. [redacted] observed that we were correct in our assessment of their inability to use PHOENIX and HARPOON missiles and that the most urgent requirement that Iran had was to place their current HAWK missile inventory in working condition. In a subsequent phone call, we agreed to discuss this matter with him and he indicated that he would prepare an inventory of parts required to make their HAWK systems operational. This parts list was received on March 28, and verified by CIA.

Current Situation. On April 3, Ari Gorbanifahr, the Iranian intermediary, arrived in Washington, D.C. with instructions from [redacted] to consummate final arrangements for the return of the hostages. Gorbanifahr was reportedly enfranchised to negotiate the types, quantities, and delivery procedures for materiel the U.S. would sell to Iran through Israel. The meeting lasted nearly all night on April 3-4, and involved numerous calls to Tehran. [redacted] A Farsi-speaking CIA officer in attendance was able to verify the substance of his calls to Tehran during the meeting. Subject to Presidential approval, it was agreed to proceed as follows:

-- By Monday, April 7, the Iranian Government will transfer $17 million to an Israeli account in Switzerland. The Israelis will, in turn, transfer to a private U.S. corporation account in Switzerland the sum of $15 million.

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N 30954

-- On Tuesday, April 8 (or as soon as the transactions are verified), the private U.S. corporation will transfer $3.651 million to a CIA account in Switzerland. CIA will then transfer this sum to a covert Department of the Army account in the U.S.

-- On Wednesday, April 9, the CIA will commence procuring $3.651 million worth of HAWK missile parts (240 separate line items) and transferring these parts to [redacted] This process is estimated to take seven working days.

[redacted]

-- On Friday, April 18, a private U.S. aircraft (707B) will pick-up the HAWK missile parts at MWD and fly them to a covert Israeli airfield for prepositioning (this field was used for the earlier delivery of the 1000 TOWs). At this field, the parts will be transferred to an Israeli Defense Forces' (IDF) aircraft with false markings. A SATCOM capability will be positioned at this location.

-- On Saturday, April 19, McFarlane, North, Teicher, Cave, [redacted] and a SATCOM communicator will board a CIA aircraft in Frankfurt, Germany, enroute to Tehran. [redacted]

-- On Sunday, April 20, the following series of events will occur:

  - U.S. party arrives Tehran (A-hour) -- met by Rafsanjani, as head of the Iranian delegation.

  - At A+7 hours, the U.S. hostages will be released in Beirut.

  - At A+15 hours, the IDF aircraft with the HAWK missile parts aboard will land at Bandar Abbas, Iran.

Discussion. The following points are relevant to this transaction, the discussions in Iran, and the establishment of a broader relationship between the United States and Iran:

-- The Iranians have been told that our presence in Iran is a "holy commitment" on the part of the USG that we are sincere and can be trusted. There is great distrust of the U.S. among the various Iranian parties involved. Without our presence on the ground in Iran, they will not believe that we will fulfill our end of the bargain after the hostages are released.

UNCLASSIFIED

-- [redacted] Gorbanifahr specifically mentioned that Qhadhaffi's efforts to "buy" the hostages could succeed in the near future. Further, the Iranians are well aware that the situation in Beirut is deteriorating rapidly and that the ability of the IRGC to effect the release of the hostages will become increasingly more difficult over time.

-- We have convinced the Iranians of a significant near term and long range threat from the Soviet Union. We have real and deceptive intelligence to demonstrate this threat during the visit. They have expressed considerable interest in this matter as part of the longer term relationship.

-- [redacted]

-- The Iranians have been told that their provision of assistance to Nicaragua is unacceptable to us and they have agreed to discuss this matter in Tehran.

-- We have further indicated to the Iranians that we wish to discuss steps leading to a cessation of hostilities between Iran and Iraq. [redacted]

-- The Iranians are well aware that their most immediate needs are for technical assistance in maintaining their air force and navy. We should expect that they will raise this issue during the discussions in Tehran. Further conversation with Gorbanifahr on April 4, indicates that they will want to raise the matter of the original 3,000 TOWs as a significant deterrent to a potential Soviet move against Iran. They have also suggested that, if agreement is reached to provide the TOWs [redacted]

-- The Iranians have been told and agreed that they will receive neither blame nor credit for the seizure/release of the hostages.

-- The residual funds from this transaction are allocated as follows:

  - $2 million will be used to purchase replacement TOWs for the original 508 sold by Israel to Iran for the release of Benjamin Weir. This is the only way that we have found to meet our commitment to replenish these stocks.

  - $12 million will be used to purchase critically needed supplies for the Nicaraguan Democratic Resistance Forces. This materiel is essential to cover shortages in resistance inventories resulting from their current offensives and Sandinista counter-attacks and to "bridge" the period between now and when Congressionally-approved lethal assistance (beyond the $25 million in "defensive" arms) can be delivered.

The ultimate objective in the trip to Tehran is to commence the process of improving U.S.-Iranian relations. Both sides are aware that the Iran-Iraq War is a major factor that must be discussed. We should not, however, view this meeting as a session which will result in immediate Iranian agreement to proceed with a settlement with Iraq. Rather, this meeting, the first high-level U.S.-Iranian contact in five years, should be seen as a chance to move in this direction. These discussions, as well as follow-on talks, should be governed by the Terms of Reference (TOR) (Tab A) with the recognition that this is, hopefully, the first of many meetings and that the hostage issue, once behind us, improves the opportunities for this relationship.

Finally, we should recognize that the Iranians will undoubtedly want to discuss additional arms and commercial transactions as "quids" for accommodating [redacted] Nicaragua, and Iraq. Our emphasis on the Soviet military and subversive threat, a useful mechanism in bringing them to agreement on the hostage issue, has also served to increase their desire for means to protect themselves against/deter the Soviets.

RECOMMENDATION

That the President approve the structure depicted above under "Current Situation" and the Terms of Reference at Tab A.

Approve _____   Disapprove _____

Attachment
    Tab A - U.S.-Iranian Terms of Reference

EXHIBIT OLN-283B

TOP SECRET UNCLASSIFIED SENSITIVE

RELEASE OF AMERICAN HOSTAGES IN BEIRUT

N 590

Background. In June 1985, private American and Israeli citizens commenced an operation to effect the release of the American hostages in Beirut in exchange for providing certain factions in Iran with U.S.-origin Israeli military materiel. By September, U.S. and Israeli Government officials became involved in this endeavor in order to ensure that the USG would:

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TOP SECRET
Declassify: OADR

UNCLASSIFIED

EXHIBIT
OLN-283B

SENSITIVE

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-- The Iranians have been told that our presence in Iran is a "holy commitment" on the part of the USG that we are sincere and can be trusted. There is great distrust of the U.S. among the various Iranian parties involved. Without our presence on the ground in Iran, they will not believe that we will fulfill our end of the bargain after the hostages are released.

-- [redacted] Gorbanifahr specifically mentioned that Qhadhafi's efforts to "buy" the hostages could succeed in the near future. Further, the Iranians are well aware that the situation in Beirut is deteriorating rapidly and that the ability of the IRGC to effect the release of the hostages will become increasingly more difficult over time.

-- We have convinced the Iranians of a significant near term and long range threat from the Soviet Union. We have real and deceptive intelligence to demonstrate this threat during the visit. They have expressed considerable interest in this matter as part of the longer term relationship.

-- [redacted]

-- The Iranians have been told that their provision of assistance to Nicaragua is unacceptable to us and they have agreed to discuss this matter in Tehran.

-- We have further indicated to the Iranians that we wish to discuss steps leading to a cessation of hostilities between Iran and Iraq. [redacted]

-- The Iranians are well aware that their most immediate needs are for technical assistance in maintaining their air force and navy. We should expect that they will raise this issue during the discussions in Tehran. Further conversation with Gorbanifahr on April 4, indicates that they will want to raise the matter of the original 3,000 TOWs as a significant deterrent to a potential Soviet move against Iran. They have also suggested that, if agreement is reached to provide the TOWs, [redacted]

-- The Iranians have been told and agreed that they will receive neither blame nor credit for the seizure/release of the hostages. [redacted]

-- The residual funds from this transaction are allocated as follows:

  - $2 million will be used to purchase replacement TOWs for the original 508 sold by Israel to Iran for the release of Benjamin Weir. This is the only way that we have found to meet our commitment to replenish these stocks.

  - $12 million will be used to purchase critically needed supplies for the Nicaraguan Democratic Resistance Forces. This materiel is essential to cover shortages in resistance inventories resulting from their current offensives and Sandinista counter-attacks and to "bridge" the period between now and when Congressionally-approved lethal assistance (beyond the $25 million in "defensive" arms) can be delivered.

The ultimate objective in the trip to Tehran is to commence the process of improving U.S.-Iranian relations. Both sides are aware that the Iran-Iraq War is a major factor that must be discussed. We should not, however, view this meeting as a session which will result in immediate Iranian agreement to proceed with a settlement with Iraq. Rather, this meeting, the first high-level U.S.-Iranian contact in five years, should be seen as a chance to move in this direction. These discussions, as well as follow-on talks, should be governed by the Terms of Reference (TOR) (Tab A) with the recognition that this is, hopefully, the first of many meetings and that the hostage issue, once behind us, improves the opportunities for this relationship.

Finally, we should recognize that the Iranians will undoubtedly want to discuss additional arms and commercial transactions as "quids" for accommodating [redacted], Nicaragua, and Iraq. Our emphasis on the Soviet military and subversive threat, a useful mechanism in bringing them to agreement on the hostage issue, has also served to increase their desire for means to protect themselves against/deter the Soviets.

RECOMMENDATION

That the President approve the structure depicted above under "Current Situation" and the Terms of Reference at Tab A.

Approve _____ Disapprove _____

Attachment
    Tab A - U.S.-Iranian Terms of Reference

April 4, 1986

TERMS OF REFERENCE
U.S.-Iran Dialogue

I. BASIC PILLARS OF U.S. FOREIGN POLICY (Optional)

-- President Reagan came into office at a time when Iran had had a certain impact on the American political process -- perhaps not what you intended.

-- The President represented and embodied America's recovery from a period of weakness. He has rebuilt American military and economic strength.

-- Most important, he has restored American will and self-confidence. The U.S. is not afraid to use its power in defense of its interests. We are not intimidated by Soviet pressures, whether on arms control or Angola or Central America or Afghanistan.

-- At the same time, we are prepared to resolve political problems on the basis of reciprocity.

-- We see many international trends -- economic, technological, and political -- working in our favor.

II. U.S. POLICY TOWARD IRAN: BASIC PRINCIPLES

A. U.S. Assessment of Iranian Policy.

-- We view the Iranian revolution as a fact. The U.S. is not trying to turn the clock back.

- Our present attitude to Iran is not a product of prejudice or emotion, but a clear-eyed assessment of Iran's present policies.

- Iran has used "revolutionary Islam" as a weapon to undermine pro-Western governments and American interests throughout the Middle East. As long as this is Iran's policy, we are bound to be strategic adversaries.

- Support of terrorism and hostage-taking is part of this strategic pattern. We see it used not only against us, but against our friends. We cannot accept either. Your influence in achieving the release of all hostages return of those killed (over time) is essential.

- We see your activity in many parts of the world, including even Central America.

- The U.S. knows how Iran views the Soviet Union. But subversion of Western interests and friends objectively serves Soviet interests on a global scale.

- Thus, our assessment is that a decisive Iranian victory in the war with Iraq would only unleash greater regional instability, a further erosion of the Western position, and enhanced opportunities for Soviet trouble-making.

- The U.S. will therefore do what it can to prevent such a development. We regard the war as dangerous in many respects and would like to see an end to it.

B. Possible Intersections of U.S.-Iranian Interests.

- Despite fundamental conflicts, we perceive several possible intersections of U.S. and Iranian interests. I propose we explore these areas.

- First, the U.S. has had a traditional interest in seeing Iran preserve its territorial integrity and independence. This has not changed. The U.S. opposes Soviet designs on Iran.

- Second, we have no interest in an Iraqi victory over Iran. [redacted] We are seeking an end to this conflict and want to use an improved relationship with Iran to further that end.

- Third, we have parallel views on Afghanistan. Soviet policy there is naked aggression, a threat to all in the region. [redacted] But our objective is the same: the Soviets must get out and let the Afghan people choose their own course.

C. U.S. Objective Today.

- We have no illusions about what is possible in our bilateral relations. Perhaps this meeting will reveal only a limited, momentary, tactical coincidence of interests. Perhaps more. We are prepared either way.

- In essence, we are prepared to have whatever kind of relationship with Iran that Iran is prepared to have with us.

III. **SOVIET MILITARY POSTURE**

-- Moscow has designs on parts of Iran. [redacted]

-- Afghanistan illustrates the price the Soviets are ready to pay to expand areas under their direct control.

-- Summarize Soviet capabilities along border and inside Afghanistan which could threaten Tehran.

-- U.S. is aware of Soviet activity [redacted]

-- Soviet plans [redacted] How they would do it.

-- Iranian support to Sandinista regime in Nicaragua aids and abets Soviet designs -- makes U.S.-Iranian relationship more difficult ($100 million in oil last year, plus arms).

-- U.S. can help Iran cope with Soviet threat.

IV. **AFGHANISTAN**

-- May be real value for Iran and U.S. to find ways to cooperate against Moscow in Afghanistan.

-- U.S. can provide humanitarian assistance for refugees [redacted]

-- We need to know who you work with, what you already provide, and devise strategy to exploit Iranian comparative advantage.

V. **HARDWARE**

-- We may be prepared to resume a limited military supply relationship.

-- However, its evolution and ultimate scope will depend on whether our convergent or our divergent interests come to loom larger in the overall picture.

-- What does Iran want?

EXHIBIT OLN-283C

[illegible] UNCLASSIFIED **SENSITIVE**

RELEASE OF AMERICAN HOSTAGES IN BEIRUT N 28846

Background.. In June 1985, private American and Israeli citizens commenced an operation to effect the release of the American hostages in Beirut in exchange for providing certain factions in Iran with U.S.-origin Israeli military materiel. By September, U.S. and Israeli Government officials became involved in this endeavor in order to ensure that the USG would:

-- not object to the Israeli transfer of embargoed materiel to Iran;

-- sell replacement items to Israel as replenishment for like items sold to Iran by Israel.

On September 14, the Israeli Government, with the endorsement of the USG, transferred 508 basic TOW missiles to Iran. Forty-eight hours later, Reverend Benjamin Weir was released in Beirut.

Subsequent efforts by both governments to continue this process have met with frustration due to the need to communicate our intentions through an Iranian expatriate arms dealer in Europe. In January 1986, under the provisions of a new Covert Action Finding, the USG demanded a meeting with responsible Iranian government officials.

On February 20, a U.S. Government official met with [redacted] the first direct U.S.-Iranian contact in over five years. At this meeting, the U.S. side made an effort to refocus Iranian attention on the threat posed by the Soviet Union and the need to establish a longer term relationship between our two countries based on more than arms transactions. It was emphasized that the hostage issue was a "hurdle" which must be crossed before this improved relationship could prosper. During the meeting, it also became apparent that our conditions/demands had not been accurately transmitted to the Iranian Government by the intermediary and it was agreed that:

-- The USG would establish its good faith and bona fides by immediately providing 1,000 TOW missiles for sale to Iran. This transaction was covertly completed on February 21, using a private U.S. firm and the Israelis as intermediaries.

-- A subsequent meeting would be held in Iran with senior U.S and Iranian officials during which the U.S. hostages would be released.

-- Immediately after the hostages were safely in our hands, the U.S. would sell an additional 3,000 TOW missiles to Iran using the same procedures employed during the September 1985 transfer.

~~TOP SECRET~~ UNCLASSIFIED (1716) ~~SENSITIVE~~
Declassify: OADR

EXHIBIT [illegible]

Declassified/Released on [illegible]
under provisions of E.O. 12356
by B. Reger, National Security Council

In early March, the Iranian expatriate intermediary demanded that Iranian conditions for release of the hostages now included the prior sale of 200 PHOENIX missiles and an unspecified number of HARPOON missiles, in addition to the 3,000 TOWs which would be delivered after the hostages were released. A subsequent meeting was held with the intermediary in Paris on March 8, wherein it was explained that the requirement for prior deliveries violated the understandings reached in Frankfurt on February 20, and were therefore unacceptable. It was further noted that the Iranian aircraft and ship launchers for these missiles were in such disrepair that the missiles could not be launched even if provided.

From March 9 until March 30, there was no further effort undertaken on our behalf to contact the Iranian Government or the intermediary. On March 26, [redacted] made an unsolicited call to the phone-drop in Maryland which we had established for this purpose. [redacted] asked why we had not been in contact and urged that we proceed expeditiously since the situation in Beirut was deteriorating rapidly. He was informed by our Farsi-speaking interpreter that the conditions requiring additional materiel beyond the 3,000 TOWs were unacceptable and that we could in no case provide anything else prior to the release of our hostages. [redacted] observed that we were correct in our assessment of their inability to use PHOENIX and HARPOON missiles and that the most urgent requirement that Iran had was to place their current HAWK missile inventory in working condition. In a subsequent phone call, we agreed to discuss this matter with him and he indicated that he would prepare an inventory of parts required to make their HAWK systems operational. This parts list was received on March 28, and verified by CIA.

Current Situation. On April 3, Ari Gorbanifahr, the Iranian intermediary, arrived in Washington, D.C. with instructions from [redacted] to consummate final arrangements for the return of the hostages. Gorbanifahr was reportedly enfranchised to negotiate the types, quantities, and delivery procedures for materiel the U.S. would sell to Iran through Israel. The meeting lasted nearly all night on April 3-4, and involved numerous calls to Tehran. [redacted] A Farsi-speaking CIA officer in attendance was able to verify the substance of his calls to Tehran during the meeting. Subject to Presidential approval, it was agreed to proceed as follows:

-- By Monday, April 7, the Iranian Government will transfer $17 million to an Israeli account in Switzerland. The Israelis will, in turn, transfer to a private U.S. corporation account in Switzerland the sum of $15 million.

-- On Tuesday, April 8 (or as soon as the transactions are verified), the private U.S. corporation will transfer $3.651 million to a CIA account in Switzerland. CIA will then transfer this sum to a covert Department of the Army account in the U.S.

-- On Wednesday, April 9, the CIA will commence procuring $3.651 million worth of HAWK missile parts (240 separate line items) and transferring these parts to [redacted] This process is estimated to take seven working days.

-- On Friday, April 18, a private U.S. aircraft (707B) will pick-up the HAWK missile parts at [redacted] and fly them to a covert Israeli airfield for prepositioning (this field was used for the earlier delivery of the 1000 TOWs). At this field, the parts will be transferred to an Israeli Defense Forces' (IDF) aircraft with false markings. A SATCOM capability will be positioned at this location.

-- On Saturday, April 19, McFarlane, North, Teicher, Cave, [redacted] and a SATCOM communicator will board a CIA aircraft in Frankfurt, Germany, enroute to Tehran. [redacted]

-- On Sunday, April 20, the following series of events will occur:

  - U.S. party arrives Tehran (A-hour) -- met by Rafsanjani, as head of the Iranian delegation.

  - At A+7 hours, the U.S. hostages will be released in Beirut.

  - At A+15 hours, the IDF aircraft with the HAWK missile parts aboard will land at Bandar Abbas, Iran.

Discussion. The following points are relevant to this transaction, the discussions in Iran, and the establishment of a broader relationship between the United States and Iran:

-- The Iranians have been told that our presence in Iran is a "holy commitment" on the part of the USG that we are sincere and can be trusted. There is great distrust of the U.S. among the various Iranian parties involved. Without our presence on the ground in Iran, they will not believe that we will fulfill our end of the bargain after the hostages are released.

-- [redacted] Gorbanifahr specifically mentioned that Qhadhaffi's efforts to "buy" the hostages could succeed in the near future. Further, the Iranians are well aware that the situation in Beirut is deteriorating rapidly and that the ability of the IRGC to effect the release of the hostages will become increasingly more difficult over time.

-- We have convinced the Iranians of a significant near term and long range threat from the Soviet Union. We have real and deceptive intelligence to demonstrate this threat during the visit. They have expressed considerable interest in this matter as part of the longer term relationship.

-- [redacted]

-- The Iranians have been told that their provision of assistance to Nicaragua is unacceptable to us and they have agreed to discuss this matter in Tehran.

-- We have further indicated to the Iranians that we wish to discuss steps leading to a cessation of hostilities between Iran and Iraq. [redacted]

-- The Iranians are well aware that their most immediate needs are for technical assistance in maintaining their air force and navy. We should expect that they will raise this issue during the discussions in Tehran. Further conversation with Gorbanifahr on April 4, indicates that they will want to raise the matter of the original 3,000 TOWs as a significant deterrent to a potential Soviet move against Iran. They have also suggested that, if agreement is reached to provide the TOWs, [redacted]

-- The Iranians have been told and agreed that they will receive neither blame nor credit for the seizure/release of the hostages. [redacted]

-- The residual funds from this transaction are allocated as follows:

  - $2 million will be used to purchase replacement TOWs for the original 508 sold by Israel to Iran for the release of Benjamin Weir. This is the only way that we have found to meet our commitment to replenish these stocks.

  - $12 million will be used to purchase critically needed supplies for the Nicaraguan Democratic Resistance Forces. This materiel is essential to cover shortages in resistance inventories resulting from their current offensives and Sandinista counter-attacks and to "bridge" the period between now and when Congressionally-approved lethal assistance (beyond the $25 million in "defensive" arms) can be delivered.

The ultimate objective in the trip to Tehran is to commence the process of improving U.S.-Iranian relations. Both sides are aware that the Iran-Iraq War is a major factor that must be discussed. We should not, however, view this meeting as a session which will result in immediate Iranian agreement to proceed with a settlement with Iraq. Rather, this meeting, the first high-level U.S.-Iranian contact in five years, should be seen as a chance to move in this direction. These discussions, as well as follow-on talks, should be governed by the Terms of Reference (TOR) (Tab A) with the recognition that this is, hopefully, the first of many meetings and that the hostage issue, once behind us, improves the opportunities for this relationship.

Finally, we should recognize that the Iranians will undoubtedly want to discuss additional arms and commercial transactions as "quids" for accommodating [redacted] Nicaragua, and Iraq. Our emphasis on the Soviet military and subversive threat, a useful mechanism in bringing them to agreement on the hostage issue, has also served to increase their desire for means to protect themselves against/deter the Soviets.

RECOMMENDATION

That the President approve the structure depicted above under "Current Situation" and the Terms of Reference at Tab A.

Approve _____ Disapprove _____

Attachment
Tab A - U.S.-Iranian Terms of Reference

~~SECRET~~ ~~SECRET~~ UNCLASSIFIED ~~SENSITIVE~~

April 4, 1986
N 28851

TERMS OF REFERENCE
U.S.-Iran Dialogue

I. BASIC PILLARS OF U.S. FOREIGN POLICY (Optional)

-- President Reagan came into office at a time when Iran had had a certain impact on the American political process -- perhaps not what you intended.

-- The President represented and embodied America's recovery from a period of weakness. He has rebuilt American military and economic strength.

-- Most important, he has restored American will and self-confidence. The U.S. is not afraid to use its power in defense of its interests. We are not intimidated by Soviet pressures, whether on arms control or Angola or Central America or Afghanistan.

-- At the same time, we are prepared to resolve political problems on the basis of reciprocity.

-- We see many international trends -- economic, technological, and political -- working in our favor.

II. U.S. POLICY TOWARD IRAN: BASIC PRINCIPLES

A. U.S. Assessment of Iranian Policy.

- We view the Iranian revolution as a fact. The U.S. is not trying to turn the clock back.
- Our present attitude to Iran is not a product of prejudice or emotion, but a clear-eyed assessment of Iran's present policies.
- Iran has used "revolutionary Islam" as a weapon to undermine pro-Western governments and American interests throughout the Middle East. As long as this is Iran's policy, we are bound to be strategic adversaries.
- Support of terrorism and hostage-taking is part of this strategic pattern. We see it used not only against us, but against our friends. We cannot accept either. Your influence in achieving the release of all hostages return of those killed (over time) is essential.

~~SECRET~~
Declassify: OADR

SECRET

~~SENSITIVE~~

- We see your activity in many parts of the world, including even Central America.

- The U.S. knows how Iran views the Soviet Union. But subversion of Western interests and friends objectively serves Soviet interests on a global scale.

- Thus, our assessment is that a decisive Iranian victory in the war with Iraq would only unleassh greater regional instability, a further erosion of the Western position, and enhanced opportunities for Soviet trouble-making.

- The U.S. will therefore do what it can to prevent such a development. We regard the war as dangerous in many respects and would like to see an end to it.

B. Possible Intersections of U.S.-Iranian Interests.

- Despite fundamental conflicts, we perceive several possible intersections of U.S. and Iranian interests. I propose we explore these areas.

- First, the U.S. has had a traditional interest in seeing Iran preserve its territorial integrity and independence. This has not changed. The U.S. opposes Soviet designs on Iran.

- Second, we have no interest in a Iraqi victory over Iran. [redacted] We are seeking an end to this conflict and want to use an improved relationship with Iran to further that end.

- Third, we have parallel views on Afghanistan. Soviet policy there is naked aggression, a threat to all in the region. [redacted] But our objective is the same: the Soviets must get out and let the Afghan people choose their own course.

C. U.S. Objective Today.

- We have no illusions about what is possible in our bilateral relations. Perhaps this meeting will reveal only a limited, momentary, tactical coincidence of interests. Perhaps more. We are prepared either way.

- In essence, we are prepared to have whatever kind of relationship with Iran that Iran is prepared to have with us.

III. SOVIET MILITARY POSTURE

-- Moscow has designs on parts of Iran. [redacted]

-- Afghanistan illustrates the price the Soviets are ready to pay to expand areas under their direct control.

-- Summarize Soviet capabilities along border and inside Afghanistan which could threaten Tehran.

-- U.S. is aware of Soviet activity [redacted]

-- Soviet plans [redacted] How they would do it.

-- Iranian support to Sandinista regime in Nicaragua aids and abets Soviet designs -- makes U.S.-Iranian relationship more difficult ($100 million in oil last year, plus arms).

-- U.S. can help Iran cope with Soviet threat.

IV. AFGHANISTAN

-- May be real value for Iran and U.S. to find ways to cooperate against Moscow in Afghanistan.

-- U.S. can provide humanitarian assistance for refugees [redacted]

-- We need to know who you work with, what you already provide, and devise strategy to exploit Iranian comparative advantage.

V. HARDWARE

-- We may be prepared to resume a limited military supply relationship.

-- However, its evolution and ultimate scope will depend on whether our convergent or our divergent interests come to loom larger in the overall picture.

-- What does Iran want?

EXHIBIT OLN-283D

IBIT
OLN-283D

UNCLASSIFIED

N 582

RELEASE OF AMERICAN HOSTAGES IN BEIRUT

Background. In June 1985, private American and Israeli citizens commenced an operation to effect the release of the American hostages in Beirut in exchange for providing certain factions in Iran with U.S.-origin Israeli military materiel. By September, U.S. and Israeli Government officials became involved in this endeavor in order to ensure that the USG would:

- -- not object to the Israeli transfer of embargoed material to Iran;
- -- sell replacement items to Israel as replenishment for like items sold to Iran by Israel.

On September ~~14~~ 13, the Israeli Government, with the endorsement of the USG, transferred 508 basic TOW missiles to Iran. Forty-eight hours later, Reverend Benjamin Weir was released in Beirut.

Subsequent efforts by both governments to continue this process have met with frustration due to the need to communicate our intentions through an Iranian expatriate arms dealer in Europe. In January 1986, under the provisions of a new Covert Action Finding, the USG demanded a meeting with responsible Iranian government officials.

On February 20, a U.S. Government official met with [redacted] the first direct U.S.-Iranian contact in over five years. At this meeting, the U.S. side made an effort to refocus Iranian attention on the threat posed by the Soviet Union and the need to establish a longer term relationship between our two countries based on more than arms transactions. It was emphasized that the hostage issue was a "hurdle" which must be crossed before this improved relationship could prosper. During the meeting, it also became apparent that our conditions/demands had not been accuratel transmitted to the Iranian Government by the intermediary and it was agreed that:

- -- The USG would establish its good faith and bona fides by immediately providing 1,000 TOW missiles for sale to Iran. This transaction was covertly completed on February 21, using a private U.S. firm and the Israelis as intermediaries
- -- A subsequent meeting would be held in Iran with senior U.S and Iranian officials during which the U.S. hostages would be released.
- -- Immediately after the hostages were safely in our hands, the U.S. would sell an additional 3,000 TOW missiles to Iran using the same procedures employed during the September 1985 transfer.

1880

Partially Declassified/Released on 8 July 1987
under provisions of E.O. 12356
by [illegible], National Security Council

UNCLASSIFIED

In early March, the Iranian expatriate intermediary demanded that Iranian conditions for release of the hostages now included the prior sale of 200 PHOENIX missiles and an unspecified number of HARPOON missiles, in addition to the 3,000 TOWs which would be delivered after the hostages were released. A subsequent meeting was held with the intermediary in Paris on March 8, wherein it was explained that the requirement for prior deliveries violated the understandings reached in Frankfurt on February 20, and were therefore unacceptable. It was further noted that the Iranian aircraft and ship launchers for these missiles were in such disrepair that the missiles could not be launched even if provided

From March 9 until March 30, there was no further effort undertaken on our behalf to contact the Iranian Government or the intermediary. On March 26, [redacted] made an unsolicited call to the phone-drop in Maryland which we had established for this purpose. [redacted] asked why we had not been in contact and urged that we proceed expeditiously since the situation in Beirut was deteriorating rapidly. He was informed by our Farsi-speaking interpreter that the conditions requiring additional materiel beyond the 3,000 TOWs were unacceptable and that we could in no case provide anything else prior to the release of our hostages. [redacted] observed that we were correct in our assessment of their inability to use PHOENIX and HARPOON missiles and that the most urgent requirement that Iran had was to place their current HAWK missile inventory in working condition. In a subsequent phone call, we agreed to discuss this matter with him and he indicated that he would prepare an inventory of parts required to make their HAWK systems operational. This parts list was received on March 28, and verified by CIA.

Current Situation. On April 3, Ari Gorbanifahr, the Iranian intermediary, arrived in Washington, D.C. with instructions from [redacted] to consummate final arrangements for the return of the hostages. Gorbanifahr was reportedly enfranchised to negotiate the types, quantities, and delivery procedures for materiel the U.S. would sell to Iran through Israel. The meeting lasted nearly all night on April 3-4, and involved numerous calls to Tehran. [redacted] A Farsi-speaking CIA officer in attendance was able to verify the substance of his calls to Tehran during the meeting. Subject to Presidential approval, it was agreed to proceed as follows:

-- By Monday, April 7, the Iranian Government will transfer $17 million to an Israeli account in Switzerland. The Israelis will, in turn, transfer to a private U.S. corporation account in Switzerland the sum of $15 million.

304

[redacted] UNCLASSIFIED [redacted]

-- On Tuesday, April 8 (or as soon as the transactions are verified), the private U.S. corporation will transfer $3.651 million to a CIA account in Switzerland. CIA will then transfer this sum to a covert Department of the Army account in the U.S.

-- On Wednesday, April 9, the CIA will commence procuring $3.651 million worth of HAWK missile parts (240 separate line items) and transferring these parts to [redacted] This process is estimated to take seven working days.

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UNCLASSIFIED

[redacted] UNCLASSIFIED [redacted] [redacted]

-- [redacted] Gorbanifahr specifically mentioned that Qhadhaffi's efforts to "buy" the hostages could succeed in the near future. Further, the Iranians are well aware that the situation in Beirut is deteriorating rapidly and that the ability of the IRGC to effect the release of the hostages will become increasingly more difficult over time.

-- We have convinced the Iranians of a significant near term and long range threat from the Soviet Union. We have real and deceptive intelligence to demonstrate this threat during the visit. They have expressed considerable interest in this matter as part of the longer term relationship.

-- [redacted]

-- The Iranians have been told that their provision of assistance to Nicaragua is unacceptable to us and they have agreed to discuss this matter in Tehran.

-- We have further indicated to the Iranians that we wish to discuss steps leading to a cessation of hostilities between Iran and Iraq. [redacted]

-- The Iranians are well aware that their most immediate needs are for technical assistance in maintaining their air force and navy. We should expect that they will raise this issue during the discussions in Tehran. Further conversation with Gorbanifahr on April 4, indicates that they will want to raise the matter of the original 3,000 TOWs as a significant deterrent to a potential Soviet move against Iran. They have also suggested that, if agreement is reached to provide the TOWs, [redacted]

-- The Iranians have been told and agreed that they will receive neither blame nor credit for the seizure/release of the hostages. [redacted]

UNCLASSIFIED

-- The residual funds from this transaction are allocated as follows:

  - $2 million will be used to purchase replacement TOWs for the original 508 sold by Israel to Iran for the release of Benjamin Weir. This is the only way that we have found to meet our commitment to replenish these stocks.

  - $12 million will be used to purchase critically needed supplies for the Nicaraguan Democratic Resistance Forces. This materiel is essential to cover shortages in resistance inventories resulting from their current offensives and Sandinista counter-attacks and to "bridge" the period between now and when Congressionally approved lethal assistance (beyond the $25 million in "defensive" arms) can be delivered.

The ultimate objective in the trip to Tehran is to commence the process of improving U.S.-Iranian relations. Both sides are aware that the Iran-Iraq War is a major factor that must be discussed. We should not, however, view this meeting as a session which will result in immediate Iranian agreement to proceed with a settlement with Iraq. Rather, this meeting, the first high-level U.S.-Iranian contact in five years, should be seen as a chance to move in this direction. These discussions, as well as follow-on talks, should be governed by the Terms of Reference (TOR) (Tab A) with the recognition that this is, hopefully, the first of many meetings and that the hostage issue, once behind us, improves the opportunities for this relationship.

Finally, we should recognize that the Iranians will undoubtedly want to discuss additional arms and commercial transactions as "quids" for accommodating [redacted] Nicaragua, and Iraq. Our emphasis on the Soviet military and subversive threat, a useful mechanism in bringing them to agreement on the hostage issue, has also served to increase their desire for means to protect themselves against/deter the Soviets.

RECOMMENDATION

That the President approve the structure depicted above under "Current Situation" and the Terms of Reference at Tab A.

Approve ____ Disapprove ____

Attachment
Tab A - U.S.-Iranian Terms of Reference

[redacted] UNCLASSIFIED [redacted]

[redacted]

TERMS OF REFERENCE
U.S.-Iran Dialogue

I. BASIC PILLARS OF U.S. FOREIGN POLICY (Optional)

-- President Reagan came into office at a time when Iran had had a certain impact on the American political process -- perhaps not what you intended.

-- The President represented and embodied America's recovery from a period of weakness. He has rebuilt American military and economic strength.

-- Most important, he has restored American will and self-confidence. The U.S. is not afraid to use its power in defense of its interests. We are not intimidated by Soviet pressures, whether on arms control or Angola or Central America or Afghanistan.

-- At the same time, we are prepared to resolve political problems on the basis of reciprocity.

-- We see many international trends -- economic, technological, and political -- working in our favor.

II. U.S. POLICY TOWARD IRAN: BASIC PRINCIPLES

A. U.S. Assessment of Iranian Policy.

- We view the Iranian revolution as a fact. The U.S. is not trying to turn the clock back.

- Our present attitude to Iran is not a product of prejudice or emotion, but a clear-eyed assessment of Iran's present policies.

- Iran has used "revolutionary Islam" as a weapon to undermine pro-Western governments and American interests throughout the Middle East. As long as this is Iran's policy, we are bound to be strategic adversaries.

- Support of terrorism and hostage-taking is part of thi strategic pattern. We see it used not only against us but against our friends. We cannot accept either. Your influence in achieving the release of all hostage return of those killed (over time) is essential.

[redacted] UNCLASSIFIED [redacted] [redacted]

- We see your activity in many parts of the world, including even Central America.

- The U.S. knows how Iran views the Soviet Union. But subversion of Western interests and friends objectively serves Soviet interests on a global scale.

- Thus, our assessment is that a decisive Iranian victory in the war with Iraq would only unleash greater regional instability, a further erosion of the Western position, and enhanced opportunities for Soviet trouble-making.

- The U.S. will therefore do what it can to prevent such a development. We regard the war as dangerous in many respects and would like to see an end to it.

B. Possible Intersections of U.S.-Iranian Interests.

- Despite fundamental conflicts, we perceive several possible intersections of U.S. and Iranian interests. I propose we explore these areas.

- First, the U.S. has had a traditional interest in seeing Iran preserve its territorial integrity and independence. This has not changed. The U.S. opposes Soviet designs on Iran.

- Second, we have no interest in an Iraqi victory over Iran. [redacted] We are seeking an end to this conflict and want to use an improved relationship with Iran to further that end.

- Third, we have parallel views on Afghanistan. Soviet policy there is naked aggression, a threat to all in the region. [redacted] But our objective is the same: the Soviets must get out and let the Afghan people choose their own course.

C. U.S. Objective Today.

- We have no illusions about what is possible in our bilateral relations. Perhaps this meeting will reveal only a limited, momentary, tactical coincidence of interests. Perhaps more. We are prepared either way.

- In essence, we are prepared to have whatever kind of relationship with Iran that Iran is prepared to have with us.

[redacted] UNCLASSIFIED [redacted]

III. SOVIET MILITARY POSTURE

-- Moscow has designs on parts of Iran. [redacted]

-- Afghanistan illustrates the price the Soviets are ready to pay to expand areas under their direct control.

-- Summarize Soviet capabilities along border and inside Afghanistan which could threaten Tehran.

-- U.S. is aware of Soviet activity [redacted]

-- Soviet plans [redacted] — How they would do it.

-- Iranian support to Sandinista regime in Nicaragua aids and abets Soviet designs -- makes U.S.-Iranian relationship more difficult ($100 million in oil last year, plus arms).

-- U.S. can help Iran cope with Soviet threat.

IV. AFGHANISTAN

-- May be real value for Iran and U.S. to find ways to cooperate against Moscow in Afghanistan.

-- U.S. can provide humanitarian assistance for refugees [redacted]

-- We need to know who you work with, what you already provide, and devise strategy to exploit Iranian comparative advantage.

V. HARDWARE

-- We may be prepared to resume a limited military supply relationship.

-- However, its evolution and ultimate scope will depend on whether our convergent or our divergent interests come to loom larger in the overall picture.

-- What does Iran want?

UN[redacted]ED

EXHIBIT OLN-284

cc: NSPBT --CPUA PAUL THOMPSON NSDRF --CPUA DON FORTIER

****

MSG FROM: NSJMP --CPUA TO: NSDRF --CPUA 05/02/86 23:01:30
NSDRF --CPUA

*** Reply to note of 05/02/86 19:29

-- SECRET --

NOTE FROM: JOHN POINDEXTER
Subject: CONTRA PROJECT
When Shultz, Regan and I discussed it yesterdeay on AF-1, we were a bit confused as to whether the expedited procedures in the legislation would apply to this proposal. What pressure would exist on Tip to take action on it? Please talk to Will Ball. What about the idea that Jim Miller and Dennis had about submitting an urgent-urgent supplemental containing among other things the Irish aid package?

Next, yesterday in a meeting that I had with the President, he started the conversation with "I am really serious." "If we can't move the Contra package before June 9, I want to figure out a way to take action uni-laterally to provide assistance." In other words he does not buy the concept of taking actions or talking about pulling out as described in the package. He has been reading Natanyahu's (sp?) book on terrorism and he was taken with the examples of Presidential actions in the past without Congressional approval. He also read an op-ed piece on the same subject. I believe that was the one by Dick Pipes' son. The President is recalling the 506A action we took on Honduras. I told him that I didn't think that it would apply here, since we are not dealing with a government. But the fact remains that the President is ready to confront the Congress on the Copnstitutional question of who controls foreign policy. We need to get Abe Sofaer and other stalwart lawyers thinking in these terms to see if there is some way we could do this, if all else fails.

With your answers to the first question, we will discuss the package on the return trip and be ready to proceed on return. I have George's proxy on the package. George agrees with the President that we have to win some way and we will not pull out.

cc: NSRKS --CPUA RON SABLE NSOLN --CPUA OLLIE NORTH
NSRBM --CPUA ROD MCDANIEL NSPBT --CPUA PAUL THOMPSON
NSWRP --CPUA BOB PEARSON NSFEG --CPUA FLORENCE GANTT

EXHIBIT
OLN-284

NOTE [redacted]AM WHITE HOUSE COMMUNICATIONS AGENCY 5/02/86 23:01:50 PAGE 00001

UNCLASSIFIE

NSJMP --CPUA

Reply to note of 05/02/86 10:29 -- SECRET

*** FROM: JOHN POINDEXTER

SUBJECT: CONTRA PROJECT

Ollie, Regan and I discussed it yesterday at NSPG, we were a bit [illegible] as to whether the expedited procedures in the legislation would apply [to] this proposal. What pressure would exist on Tip to take action on it? [illegible] talk to Will Ball. What about the idea that Jim Miller and Dennis had of submitting an urgent-urgent supplemental containing among other things [the] Contra aid package?

[illegible], yesterday in a meeting that I had with the President, he started the conversation with "I am really serious." "If we can't move the Contra package [bef]ore June 9, I want to figure out a way to take action unilaterally to provide assistance." In other words, he has bought the concept of taking [illegible] of talking about pulling out as described in the package. He has been [illegible]. [illegible] been on vacation and he was taken with the examples [of] Presidential actions in the past without congressional approval. He also [illegible] pieces on the same subject. I believe that was the one by Dick [illegible]. The President is recalling the 1904 action we took in Honduras. I [illegible] that I didn't think that it would apply here, since we are not [illegible] with a government, but the fact remains that the President is ready to [confront] the Congress on the constitutional question of who controls foreign [policy]. We need to get Ken [illegible] and other [illegible] lawyers thinking in these [illegible] to see if there is some way we could do this, if all else fails.

[In] your answer to the first question, we will discuss the package on the [illegible] and be ready to proceed on return. I have George's proxy on the [illegible]. George agrees with the President that we have to win some way and we [can]not pull out.

[illegible]	--CPUA	[illegible]	[illegible]	--CPUA	OLLIE NORTH
[illegible]	--CPUA	ROD MCDANIEL	NSPBT	--CPUA	PAUL THOMPSON
[illegible]	--CPUA	BOB PEARSON	NSFBG	--CPUA	FLORENCE GANTT

CONTRA PROJECT

[redacted]

[redacted]

[redacted]

N 17735

[illegible] 5/6/87 [illegible] National Security Council

[redacted]

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EXHIBIT OLN-285

[redacted] UNCLASSIFIED

N 17765

EXHIBIT
OLN-285

[redacted]

FILE: [illegible] [redacted] [illegible]   PAGE [illegible]

NOTE FROM: OLIVER NORTH
Subject: CONTRA PROJECT
I know that many have provided input to this disaster, but before I depart for a day and one half, let me try to respond briefly: Notwithstanding some of the historical inaccuracies in Bob's book, and the fact that many legislative constraints have been imposed on the President since Truman and Eisenhower, there are still several things which can — and perhaps should be done. When I [redacted] two weeks ago, [redacted] again raised the issue of [redacted]

Warm regards, North

* CONTRA PROJECT
MSG FROM: NSOLN --CPUA TO: NSJMP --CPUA 05/03/86 22:19:00
To: NSJMP --CPUA

*** Reply to note of 05/01/86 06:39

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-- [illegible]

NOTE FROM: OLIVER NORTH
Subject: Iran
I agree that we cannot trust anyone in this game. You may recall that nearly a month ago I briefed you to the effect that Tiny Rowland had been approached and we went back through Casey to tell these guys that the whole thing smelled very badly. We know that Khashoggi is the principal fund raiser for Gorba and that

only after Gorba delivers a [illegible] be paid by the Iranians. We do not [redacted]

[redacted]

[illegible] Declassified/Released on 5/6/87
under provisions of [illegible]
[illegible] Report [illegible]

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[redacted] UNCLASSIFIED

N 17766

[redacted]

FILE: LFRMN [redacted] 00 WHITE HOUSE COMMUNICATIONS AGENCY PAGE [illegible]

believe that Tiny is still engaged in this effort. Nir has been told to stay off the skyline on the issue. The story you had relayed to you by Peres was the one made up by Nir to cover the transaction and their source reported it to us when the issue first came up several weeks ago. At the bottom line, this typifies the need to proceed urgently to conclude this phase of the operation before there are further revelations. We all know that this has gone on too long and we do not seem to have any means of expediting the process short going to Iran. In that regard, George and I are leaving tomorrow at 0700 to meet with Gorba in London. We intend to tell him that unless a deposit is made by the end of the week, the whole operation is off. We will then have Gorba call in our presence and make sure he understands the criteria for proceeding: We go to Tehran; within 20 hrs all hostages released, then later we deliver the 240 parts; within 10 days we provide those parts which cannot fit on the a/c. In return we get to raise the issue of Da'wa, get more intelligence and help for the Afghan resistance. This seems to be one has already said he has gotten the "authorization" at his end to accept, but we want to be sure before we proceed. Lord willing, Gorba will then make the requisite deposit on Thursday, we will start to assemble the cargo by Friday, and the following weekend we will get to Tehran. We all hope. Please also see response to Poin's note on this general subject. Will transmit as soon as this is over. Warm regards, North

[illegible]

[redacted] [redacted]

[redacted]

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under provisions of E.O. 12356
by B. Reger, National Security Council

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EXHIBIT OLN-286

(13)

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N 12146

*** Re[illegible] note of 05/03/86 07:15

-- [redacted] --

NOTE FROM: OLIVER NORTH
Subject: Any guesses!
Many thanks for the note. Am headed out early in a.m. to meet w/ Gorba and proceed along lines of my last to you. Will be back late Wed. p.m. Will advise. Like yr idea of a Linebacker II - though I'm not at all sure that [redacted] is the right spt. Turns out that [redacted] may have had more than a little [redacted] by some turning up [redacted] hit parade. Wd vy much like to talk w/ you re this etc on return. Will [illegible] around later in the week? Will be staying at the Hotel Intercontinental in London tomorrow night as William Paul [illegible]. Pls call if you have any thoughts that are appropriate for someone to [illegible] in the [illegible] as the project does much - or anything else. Warm regards.
North

c Any guesses? 05/04/86 00:04:05
NFS FROM: NSOLN --CPUA TO: NSJMP --CPUA
To: NSJMP --CPUA

*** Reply to note of 05/03/86 23:01

-- [redacted] --

NOTE FROM: OLIVER NORTH
Subject: CENTRA PROJECT
I know that many have provided input to this missive, but before I depart for a day and one half, let me try to compound briefly: Notwithstanding some of the historical inaccuracies in Bob's book - and the fact that many legislative constraints have been imposed on the President since Truman and Eisenhower, there are still several things which can - and perhaps should be done. When I was in [redacted] two months ago, [illegible] raised the issue of

[redacted]

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by D. Reger, National Security Council

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OLN-286

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12147

[redacted]

• [illegible] [redacted] Warm regards, North

[redacted]

NP

MSG FROM: NSOLN --CPUA TO: NSJMP --CPUA 05/04/86 00:19:00
To: NSJMP --CPUA

*** Reply to note of 04/30/86 13:26

-- SECRET --

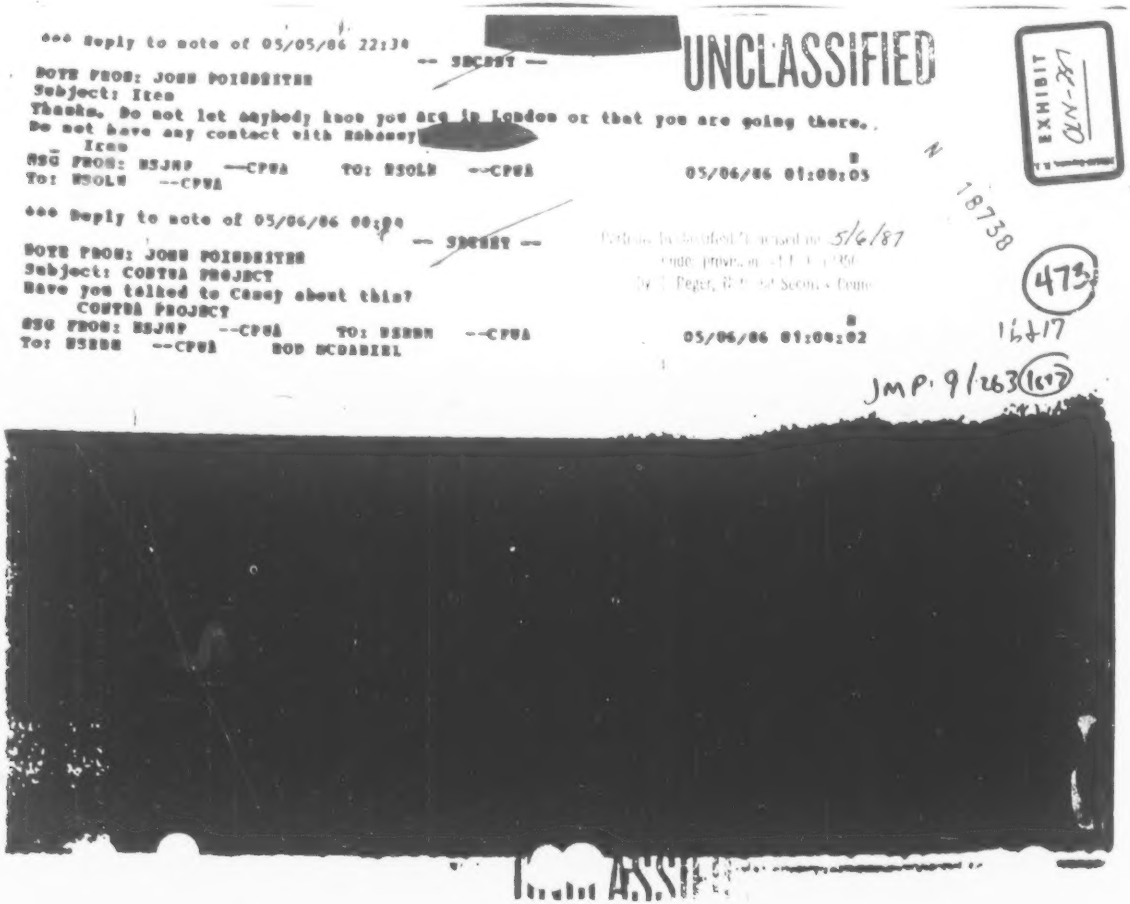
NOTE FROM: OLIVER NORTH
Subject: PRIVATE BLANK CHECK
Since you will be back here before I return from London, wd you please call [illegible] [illegible] or [illegible] or [illegible] [illegible] to advise them that [redacted] not be detached from the NSC. The incredible answer to the current [redacted] [illegible] is to immediately PCS North to Camp Lejeune, N.C. I cannot imagine putting my tail between my legs and running in the face of this provocation. I do not believe that this is what you or the President want but cannot say so myself. It wd be best for you or the President to do this - if it is indeed what you want. Otherwise, I have been ordered to detach not later than 30 May and proceed for duty at Camp Lej. I am here to serve as you and the President so desire. Pls advise yr wishes in this regard. V/R, North
PRIVATE BLANK CHECK

[redacted]

NP

[redacted]

EXHIBIT OLN-287



[redacted] UNCLASSIFIED

EXHIBIT
OLN-287

*** Reply to note of 05/05/86 22:34 -- ~~SECRET~~ --

NOTE FROM: JOHN POINDEXTER
Subject: Iran
Thanks. Do not let anybody know you are in London or that you are going there.
Do not have any contact with Embassy [redacted]
Iran
MSG FROM: NSJMP --CPUA TO: NSOLN --CPUA 05/06/86 01:00:05
To: NSOLN --CPUA

N 18738

*** Reply to note of 05/06/86 00:04 -- ~~SECRET~~ --

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under provisions of E.O. 12356
by J. Reger, National Security Council

NOTE FROM: JOHN POINDEXTER
Subject: CONTRA PROJECT
Have you talked to Casey about this?
CONTRA PROJECT
MSG FROM: NSJMP --CPUA TO: NSRBM --CPUA 05/06/86 01:04:02
To: NSRBM --CPUA BOB MCDANIEL

(473)

16417

JMP 9/263 (1697)

[redacted]

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[redacted] UNCLASSIFIED

PAGE [illegible]

[redacted]

VIEW: PROFS [redacted] NO, UNIT: [illegible] COMMUNICATIONS AGENCY

[redacted]

[redacted]

N 17770

[illegible] NSJMP --CPUA TO: NSOLN --LCPUA 05/08/86 10:59:36
To: NSOLN --CPUA

*** Reply to note of 05/09/86 08:07
-- ~~SECRET~~ --

NOTE FROM: JOHN POINDEXTER
Subject: Iran
GOOD WORK. LET'S DISCUSS AT LUNCH.
-- Iran
[illegible] FROM: NSOLN --CPUA TO: NSJMP --PUA 05/09/86 08:07:06
To: NSJMP --CPUA

*** Reply to note of 05/06/86 08:33
-- ~~SECRET~~ --

NOTE FROM: OLIVER NORTH
Subject: Iran
Rome. I believe we have succeeded. Deposit being made tomorrow (today is a
bank holiday in Switzerland). Release of hostages set for week of 19 May in
sequence you have specified. Specific date to be determined by how quickly we
can assemble requisite parts. Thank God -- He answers prayers. V/R, North
-- Iran
NSE FROM: NSOLN --CPUA TO: NSJMP --CPUA 05/08/86 08:02:59
To: NSJMP --CPUA

*** Reply to note of 05/06/86 01:00
-- ~~SECRET~~ --

NOTE FROM: OLIVER NORTH
Subject: CONTRA PROJECT
Yes, in general terms. He is receptive, as is Elliott. It is, to say the
least, a high risk option - but it may be the only way we can ever get this
thing to work. It is also important for you to know that [illegible] want the
[illegible] to see us with the following offer: the Israelis would be willing to put
20-30 Spanish speaking military trainers/advisors into the FDN if we want this
to happen.

[redacted]

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by [illegible] National Security Council

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[redacted] UNCLASSIFIED

PAGE 2[illegible]

FILE: FROM [redacted] TO [illegible] SUBJECT: COMMUNICATIONS SUPPORT

[redacted]

ADVISORS [illegible] ed to sale
as agricultural experts, all personnel [illegible] be on commercial cover, and no
active duty personnel [illegible] be used – all [illegible] be retired specialists. [illegible] wants to
[illegible] to discuss details. My impression is that
[illegible] [illegible] takes the
[illegible] prepared to move quickly on this [illegible] [illegible] were together, [illegible]
[illegible] [illegible]
[illegible] PROJECT

[redacted]

N 17771

Partially Declassified/Released on 5/6/87
under provisions of E.O. [illegible]
by [illegible], National Security Council

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EXHIBIT OLN-288

[redacted] UNCLASSIFIED

N 17764

PAGE [illegible]

FILE: [illegible] [redacted] [illegible]

-- ~~SECRET~~ --

NOTE FROM: JOHN POINDEXTER
Subject: PRIVATE BLANK CHECK
What is this nonsense? Please turn this off in no uncertain terms. Can you imagine how that would play if the story leaked out? It is the incredible overtime DOD had with Dependents in El Salvador.
*** Forwarding note from NSJMP --CPUA 05/06/86 08:19 ***
To: NSJMP --CPUA

*** Reply to note of 05/05/86 19:26

-- ~~SECRET~~ --

NOTE FROM: OLIVER NORTH
Subject: PRIVATE BLANK CHECK
Since you will be back here before I return from London, wd you please call either SecDef or SecNav or Gen Kelley to advise them that North will not be detached from the NSC. The incredible answer to the current Abu Nidal threat is to immediately PCS North to Camp Lejeune, N.C. I cannot imagine putting my tail between my legs and running in the face of this provocation. I do not believe that this is what you or the President want but cannot say so myself. It wd be best for you or the President to do this - if it is indeed what you want. Otherwise, I have been ordered to detach not later than 30 May and proceed for duty at Camp Lej. I am here to serve as you and the President so direct. Pls advise yr wishes in this regard. v/r, North

cc: NSRLE --CPUA [illegible] NSPBT --CPUA PAUL THOMPSON
NSDGF --CPUA DON FORTIER

-PRIVATE BLANK CHECK
MSG FROM: NSOLN --CPUA TO: NSJMP --CPUA 05/06/86 08:17:44
To: NSJMP --CPUA

*** Reply to note of 05/05/86 19:26

-- ~~SECRET~~ --

NOTE FROM: OLIVER NORTH
Subject: PRIVATE BLANK CHECK
Since you will be back here before I return from London, wd you please call either SecDef or SecNav or Gen Kelley to advise them that North will not be detached from the NSC. The incredible answer to the current Abu Nidal threat is to immediately PCS North to Camp Lejeune, N.C. I cannot imagine putting my tail between my legs and running in the face of this provocation. I do not believe that this is what you or the President want but cannot say so myself. It wd be best for you or the President to do this - if it is indeed what you want. Otherwise, I have been ordered to detach not later than 30 May and proceed for duty at Camp Lej. I am here to serve as you and the President so direct. Pls advise yr wishes in this regard. v/r, North
- PRIVATE BLANK CHECK

[redacted]

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[illegible] of E.O. 12356
[illegible] National Security Council

1.8

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EXHIBIT
OLN-288

EXHIBIT OLN-289

ATTACH EX. TO 10A-2-86

REQUEST ITEM # [illegible]

[illegible] TITLE

ALL MEMORANDA AND REPORTS SUBMITTED BY GEORGE
CAVE DURING HIS ASSOCIATION WITH THE NSC
[illegible] AND ARMS TRANSFERS [illegible]
IRAN IN 1985-86 --HEREINAFTER CITED AS
"NSC PROJECT."

DATE	DESCRIPTOR - TO/FROM
undated	CIIN 0251 - Cave Document, relating information obtained from Ghorbani

EXHIBIT
OLN-289

[illegible] [illegible] [illegible] [illegible]

Ghobani Fir (6H)

1. [redacted] WAS VERY RELAXED AND SAID THAT EVERYTHING WAS ARRANGED. HE SAI HE MIGHT GO TO TEHRAN IMMEDIATELY AFTER OUR DISCUSSIONS TO Y MAKE SURE EVERYTHING STAYS ON TRACK.

2 .WANTEDA TO KNOW WHO WOULD BE GOING TO TEHRAN. TOLD HIM MACFARLAND. BBBB GOOD AND O'NEIL. PLUS A COMMO SPECIALIST. HE THOUGHT THAT WOULD B FINE.

3. WE TOLD HIM THAT WE DID NOT WANT TO GO INTO DETAILS AS THIS WAS GOOD SHOW AND HE WOULD EXPLAIN EVERYTHING THIS AFERTNOON. WE DID SAY THAT GOOD HAD DRAWN UP A SCHEDCULE THAT WE W HOPED WOULD BE ACCEPTABLE TO THE OTHER SIDE. WE EMPHASIZZED TO HIM THAT IIF THIS THING IS TO WORK HE MUST PLAY A KEY WHICH WE WILL EXPLAIN TO HIM IN GREAT DETAIL THIS AFTERNOON. HE SEEMED PLEASED WITH ALL THIS. HE WAS GOING TO CALL TEHRAN IMMEDIATLY AFTER WE LEFT TO EXPLAIN THAT WE WERE LINING UP ALL T DUCKS.

4. HE SPENT SOME TIME TELLING US THAT WE MUST MENTION NOTHING ABOUT ISRAEL IN OUR MEETINGS AS THIS COULD QUEER THINGS. HE SAID MAYBE WE COULD MENTION ON LEAVING THAT THEY COULD RELY ON (6H) [redacted] ON THIS CASE. (WON HOW MUCH THIS IS GOING TO COST THE ISRAELIS).

5. HE ALSO SADI THAT WHILE IN TEHRAN HE HAD TALKED TO THE CONSERVATIVE LEADERS LINE NO. 3. - THE ONES HE TALKED TO WERE AYATULLAH FARASI. KHAMENI'I AND THE MINISTER OF COMMERECE. (N. FARAZI ACCORDING TO OUR RECORDS). (6H) [redacted] SAID THAT HE HAD ARGUED WITH THEM THAT THIS WAS A GREAT OPPORTUNITY. THEY ARE GOING TO GET INTO POWER AFTER KHOMIENI GOES. SO LET SOMEONE ELSE MAKE THE OPENING TO THE AMERICANS.

6. (6H) [redacted] ALSO BRIEFED CERTAIN MILITARY LEADERS ON THIS PROJECT TO GET THE SUPPROT. NEEDLESS TO SAY THEY WERE ENTHUSIASTIC.

7 . ASKED (6H) [redacted] FOLLOWING\ GIVIEN A SUCCESSFULL MEETING. WHO WILL HANDLE T FOLLOW UP ON THE IRANIAN SIDE? THIS CAUGHT HIM BY SUPRISE AND HE SAID TH HE THOUGHT IT WOULD HAVE TO INVOLVE BOTH RAFSENJANI FROM LINE THREE AND SOME PEOPLE FROM LINE ONE. HE SAID GIVEN THIS HE THOUGHT IT ESSENTIAL THAT THE GROUP ALSO MEET WITH PEOPLE FROM LINE ONE WHICH HE COULD ARRANG AS AN ASIDEHE SAID THAT MUSAVI IS BIG PROBLEM IN THAT HE REALLY DOESN'T I LIKE YOU GUYS.

8. NOTE IT SUBSEQUENTLY TURNED UP THAT REASON FOR (6H) [redacted] TO RETURN IMMEDIATE TO TEHRAN IS TO ASSIST THEE FRENCH INTHERI DEAL. HE WILL GO TO TEHRAN WITH COL. GUY LAMOUR OF THE FRENCH SERVICE. HE SAID THAT HE HAS DOEN PRETTY WEILL IN ARRANGEING THIS DEAL.

REVIEWED FOR RELEASE
Date [illegible]

CIIN #0251

9. WE TOLD HIM THAT WE WANTED TO STRAIGHTEN OUT THE DIFFICULTIY OVER THE DIRECT PHONE CALLS TO [redacted] TOLD HIM THAT THE CALL WAS INSTIGATED BY [redacted] AND NOT US AND IN OUR REPLY WE TOLD [redacted] THAT WE CONSIDER THE DEAL TO BE AS ENUNCIATED IN FRANKFURT. [redacted] SAID THAT PROBLEM SOLVED AS IT WAS HE WHO TOLD [redacted] TO CALL US INDPENDENTLY TO CHECK ON HIM AND HIS HONESTY VIA ANOTHER CHANNEL. THUS ENDED THIS CONVERSATION.

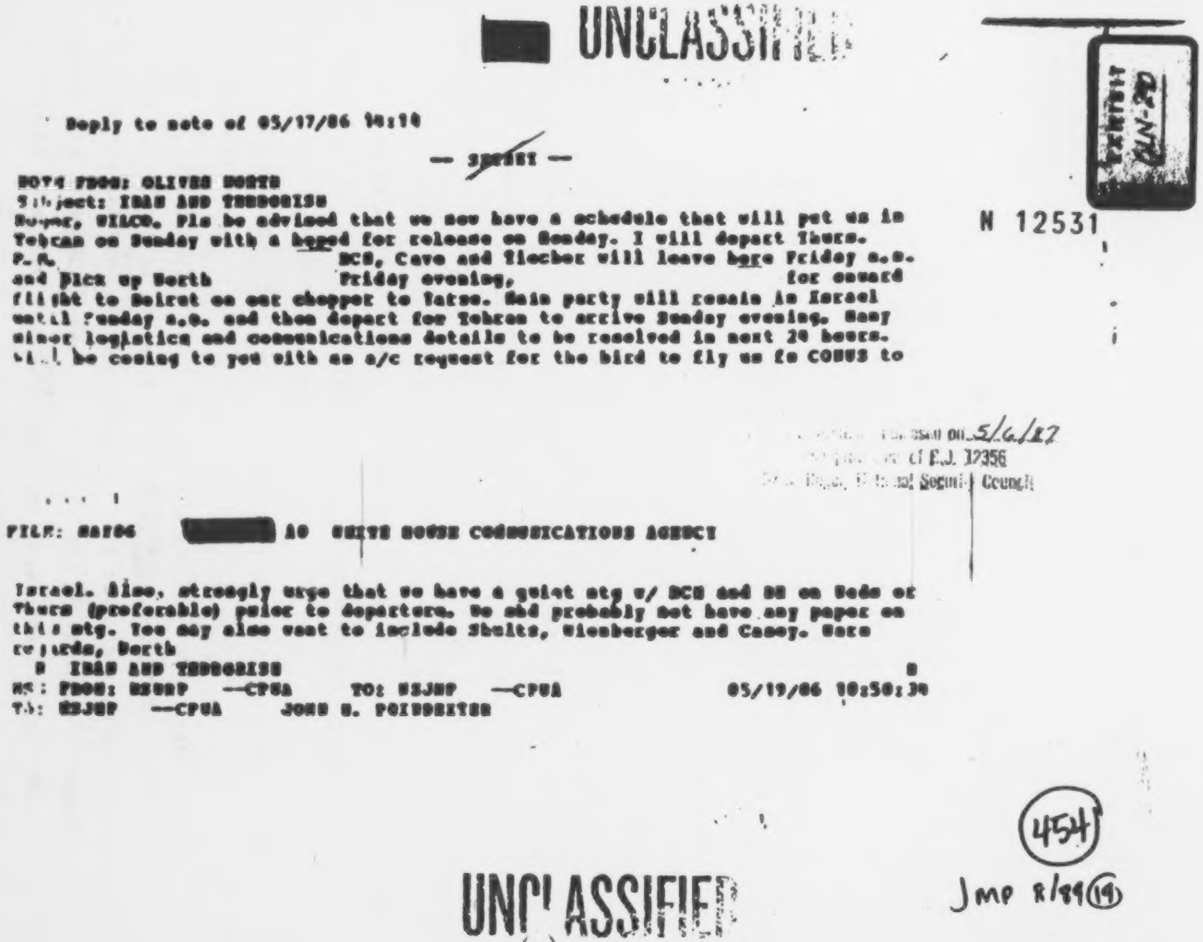
10 THERE WAS SOMETHING IN HIS CONVERATION WHICH LED US TO BELIEVE HE INDICATED TWO TRIPS TO TEHRAN.

11. WE HAD TO LISTEN TO AT LEAST A HALF AN HOUR OF TALK ON HOW CAREFULL WE MUST BE IN DEALING WITH THESE GUYS AND HOW WE NEEDED SUCH A PERSON AS HIM TO GUIDE THE WAY HE KNEW HOW TO HANDLE THEM.

12. HE ALSO PROPOSED THAT WE USE PROFITS FROM THESE DEALS IB AND OTHERS TO FUND SUPPORT TO THE REBELS IN AFGHANISTAN. WE COULD DO THE SAME WITH NICARAUGRA.

CIIN #0251 page 2 of 2

EXHIBIT OLN-290



[redacted] UNCLASSIFIED

EXHIBIT OLN-290

N 12531

Reply to note of 05/17/86 14:10

~~— SECRET —~~

NOTE FROM: OLIVER NORTH
Subject: IRAN AND TERRORISM
Roger, WILCO. Pls be advised that we now have a schedule that will put us in Tehran on Sunday with a hoped for release on Sunday. I will depart Thurs. P.M. RCM, Cave and Teicher will leave here Friday a.m. and pick up North Friday evening, for onward flight to Beirut on our chopper to Tatse. Main party will remain in Israel until Sunday a.m. and then depart for Tehran to arrive Sunday evening. Many minor logistics and communications details to be resolved in next 24 hours. Will be coming to you with an a/c request for the bird to fly us fm CONUS to

. . . 1

FILE: NAF06 [redacted] AO WHITE HOUSE COMMUNICATIONS AGENCY

Israel. Also, strongly urge that we have a quiet mtg w/ RCM and RR on Weds or Thurs (preferable) prior to departure. We shd probably not have any paper on this mtg. You may also want to include Shultz, Wienberger and Casey. Warm regards, North

R IRAN AND TERRORISM S
NS: FROM: NSOLN --CPUA TO: NSJMP --CPUA 05/19/86 10:50:34
To: NSJMP --CPUA JOHN M. POINDEXTER

[illegible] on 5/6/87
[illegible] of E.O. 12356
[illegible] National Security Council

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JMP 8/8/9 (19)

UNCLASSIFIED

EXHIBIT OLN-291

TO: R. V. Secord

FROM: Bob Dutton

DATE: June 4, 1986

SUBJECT: How to present the reorganization to ACE

Current Situation:

- ACE performance in getting capability up to an acceptable level has been unsatisfactory.
  - -- Aircraft that were purchased were not thoroughly or properly checked.
  - -- Major repairs in engines and avionics have taken excessive time, meaning A/C were not useable for training, basic missions or high tech work.
  - -- People that have been hired have been working with inadequate guidance or supervision.
- B. C. Washington has been paying a large % of past and current expenditures for Margin (G & A, Fringe) and O & M which, since we are already paying all of the operating and maintenance costs, amounts to an additional profit payment. The combinations of these payments have equalled 58.4% of a March ACE invoice and 57.6% of their April invoice.
- ACE states that the current arrangement is not making any money for their company for the effort expended.

Proposed Reorganization:

- ACE has put together a useful organization which we would like to retain to provide a means to contract both people

EXHIBIT
OLN-291

and air support plus a means to make payments. For this they should be paid a service fee.

- B.C. Washington now has the capability to provide direct policy guidance and operational directives to the Project Hope personnel. This will give us the ability to hold one person totally responsible for the operational capability of the project.
- Some of the senior personnel at ACE have a great deal of background and experience in Project Hope type operations. It would benefit the entire program if these people were retained as professional consultants to B. C. Washington and paid on a scale to be determined by the corporate officers.

Benefits:

- We stop paying O & M, which is currently money tied up away from ACE personnel. This will reduce our cost anywhere from $50K to $100K per month.
- ACE will continue to be a part of the project and will get paid a service fee.
- The key ACE employees will start being paid consultant fees which is "available money".

Assumption: Throughout this proposal, I am assuming that ACE no longer intends to purchase the aircraft with the O & M money we currently pay them. If this is not a correct assumption, that fact should be formally acknowledged and we can continue the O & M payments vice a much reduced service fee, but we will get the money back when we sell them the aircraft. We can still take the key ACE personnel on as part-time consultants.

EXHIBIT OLN-292

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

SYSTEM II
90444

June 10, 1986

176

~~SECRET~~

ACTION

N 44482

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: OLIVER L. NORTH

SUBJECT: Hostage Rescue Effort

Attached at Tab I is a memo from you to the President asking him to sign a letter (Tab A) to Ross Perot thanking Ross for his efforts to recover the American hostages in Beirut. Your memo at Tab I is self-explanatory.

RECOMMENDATION

That you initial and forward your memo at Tab I.

Approve _____ Disapprove _____

Attachments
  Tab I - Poindexter Memo to the President
    Tab A - Presidential ltr to Ross Perot

1215

Partially Declassified/Released on 29 June 1987
under provisions of E.O. 12356
by S. Reger, National Security Council

~~SECRET~~
Declassify: OADR

SECRET

ABI
ACK
OLN CHRON
[illegible]

EXHIBIT
OLN-292

THE WHITE HOUSE

WASHINGTON

SYSTEM II
90444

~~SECRET~~

ACTION

N 44483

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN M. POINDEXTER

SUBJECT: Hostage Rescue Effort

Issue

Letter to Mr. Ross Perot.

Background

For several months, effort to secure the release of the American hostages abducted in Beirut. Three weeks ago, those working in the area developed a plan [redacted] would undertake an operation to recover the hostages. The plan involved the use of privately-provided aircraft, personnel, and vessels. Unfortunately, the security situation inside Beirut deteriorated before this plan could be put into effect.

Discussion

Ross Perot provided the resources required to bring this plan to fruition. He dispatched one of his personal staff to oversee the mission and maintained communications between his offices in Texas and the forward operating team in Cyprus. Perot is, understandably, disappointed that this operation did not succeed, but should be commended for trying. Because it is possible that such a plan could well work in the future, a letter from you (Tab A) thanking him for his help would be most appropriate.

Recommendation

OK No

_____ ______ That you sign the letter at Tab A.

Prepared by:
Oliver L. North

Attachment
Tab A - Letter to Ross Perot

~~SECRET~~
Declassify: OADR

SECRET

UNCLASSIFIED

THE WHITE HOUSE
WASHINGTON

N 44484

Dear Ross:

I have been briefed on your effort over the past several weeks on behalf of our Americans abducted in Beirut. On behalf of the American people, I want to thank you for your discreet assistance in this regard. My hope is that we may yet succeed in reuniting these men with their families and loved ones. Thanks again and God bless you.

[redacted]

Sincerely,

Mr. H. R. Perot
7171 Forest Lane
Dallas, TX 75203

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JC/
Dutton asked for comments on this

I GENERAL

II OPERATING LOCATIONS

III KEY PERSONNEL

GENERAL

Due to recent changes in operational requirements and increased tasking, the "Benefactor Company", hereinafter referred to as B. C. Washington, is taking more direct control of Project Hope and its supporting elements. The following outlines the structure, authorities, and responsibilities of the new organization. We intend to implement the reorganization on July 1, 1986.

II OPERATING LOCATIONS

A. Washington: B. C. Washington will assume operational control of all assets in support of Project Hope. They will establish a separate secure communications facility that will act as the hub of all operational and other sensitive project information. ACE will maintain administrative command and act as the broker with SAT. All contracts and contract payments will be worked through ACE under the policy direction of B. C. Washington.

B. Cincinnati: This military airbase is our primary operational support base. It provides a secure location from which we can operate our aircraft and perform essential maintenance. Within the city, we maintain four houses where we can quarter approximately 18 people. Transportation is provided by four vehicles with drivers. Besides the local telephone, communications are maintained between quarters and the base by mobile radio and between our major operating locations by HF radio.

C. The Farm: This forward operating location (FOL) will provide the launch and recovery site for support missions being flown in the north central operations. It currently has a very limited maintenance support capability. We will be looking to install a site manager/operations officer to coordinate support requirements and operational requests. We do not see crews operating from here for more than 2 to 3 days at a time.

D. The Plantation (West): This FOL gives us the capability to support central and southern operations. We will eventually install a permanent site manager plus an engineer/commo specialist here. The sensitivity and vulnerability of this site will limit its use and the number of people we assign. While training and actual missions may be launched from here, the prime purpose of the FOL is to provide an alternate refueling or emergency landing site to give us more flexibility in mission planning.

E. Maintenance Support Miami: Due to the continuing requirement to locate, acquire and provide numerous logistic support and maintenance items for our operational assets, we will establish a one-man support element in the Miami area. He is to be responsive to the Maintenance Director and work closely with SAT for procurement and delivery of required items.

III KEY PERSONNEL

A. Manager: The project manager at Cincinnati is the sole focal point for site operation and coordination with B. C. Washington, from whom he will receive all policy and operational guidance. Either he or the Operations Director will be on station at all times. Specific responsibilities include:

1) Be responsible for the operational effectiveness of company assets and personnel assigned to the project.
2) Establish and enforce a security system that will ensure communications security and the operational security of our operations.
3) Direct the daily and weekly flying and maintenance schedules.
4) Provide B. C. Washington a daily maintenance and training status plus planned schedules for the next seven-day period.
5) Through the Host Liaison Officer, interface with the host government and in-country U. S. Government organizations on behalf of the company.
6) Direct and be prepared to report on support activities for all personnel assigned to the project, whether they be permanent or temporary. This includes quarters, rations, pay, transportation and leave schedules.
7) Maintain detailed records of activities and expenditures to provide strict accountability of all company assets and monies. A written report will be provided B. C. Washington on a monthly basis.

B. **Host Liaison Officer**: This officer provides the Manager the critical link to the host senior officials to coordinate support and operational matters. He is the projects communication link and negotiator with both the host and in-country U. S. Government officials. He will be part of the secure communications link between B. C. Washington and Project Hope. Specific responsibilities include:

1) Maintain a secure communications link with B. C. Washington to provide an alternate means of communicating with the Manager, the host or U. S. Government officials.
2) Brief and obtain concurrence from the minimum required host and U. S. officials on current operations that are of specific interest to them.
3) Maintain close contact with the host military to arrange support for our operations and maintenance.
4) Keep the Manager informed of any problems our people or operations may be creating for our host or in-country U. S. Government representatives.

C. Operations Director: Air logistics support being the primary service provided, it is necessary to install an experienced special operations aviator to act as senior air operations planner/coordinator and be second in overall command. Primary duties include:

1) Keep the Manger informed on all matters pertaining to operations.
2) Serve as the senior pilot.
3) Coordinate work schedules and resolve all air crew issues based upon top-down guidance.

4) Maintain accurate and current records pertaining to air crew flying hours and training status.

5) Function as senior air operations planner for training and actual logistic support missions.

6) Establish and enforce a set of standards for our aircraft commanders to evaluate all mission tasking for suitability, feasability and safety.

D. Maintenance Director: All major maintenance operations will be conducted at Cincinnati with the support of the host and Maintenance Support Miami. The Maintenance Director will oversee and coordinate theater-wide maintenance activities in accordance with the Manager's guidance. Responsibilities include:

1) Keep the Manager informed on all matters pertaining to maintenance.

2) Project and coordinate scheduled aircraft maintenance so that an operating capability exists at all times.

3) Maintain current and accurate records pertaining to scheduled and on-call inspections, servicing and maintenance for each aircraft.

4) Maintain accurate inventories of tools, equipment, materials and spare parts which are in the custody of the site maintenance section.

5) In coordination with Maintenance Support Miami, forecast and order spare parts, materials and equipment.

6) Order and control required maintenance publications.

7) Prepare maintenance reports in accordance with directed schedules and formats.

E. Support Director: Because of our dependence on the cooperation and support of the host government, it is necessary that the Support Director work closely with the Host Liaison Officer to interface with the host on a regular basis in their language. Responsibilities include:

1) Keep the Manager informed on all matters pertaining to personnel and site support.
2) In coordination with ACE, establish and monitor contracts for all quarters, transportation, telephones and domestic support.
3) In coordination with ACE, pay all bills and maintain detailed records of expenditures.
4) Establish and monitor a fuels account with the Air Force to provide timely fuel support. Keep a detailed account of all fuel expenditures.

The Plantation

RUNWAY: The runway is [illegible] x [illegible]' and capable of handling up to a C-123 size A/C. There are turn-around areas at both ends, [illegible]' dia. at SW end and [illegible]' dia. at NE end. The surface is crowned for drainage and dry compacted the full length. The turnaround areas are insufficiently compacted, but adequate at present for all A/C. The entire runway, and turnaround areas in particular, are subject to wind erosion damage. The rainy season began last month, and if this problem is not handled correctly mud may become a problem also. The need for a vigorous and complete maintenance program is paramount. If continued compaction following the early season rains and surface grooming prove inadequate, it may be necessary to apply an asphaltic surface binding material such as Pentaprime.

The NE approach to the runway is obstructed by a small hill and a bend in the valley immediately at the end of the runway. A/C have landed and taken off in this direction, but I would not advise if loaded or limited visibility. The SW approach is completely open except for some trees which will be cut as time and equipment permit.

One drainage problem area has been identified and steps taken to remedy it. A concrete culvert should have been installed across the runway. Small drainage areas will be identified during the first rains and corrective measures taken.

A/C PARKING/SERVICE AREA: The parking area is at the north midpoint of the runway and is large enough to accommodate three C-123's. The refuel bladders will be located here along with the A/C maintenance and repair facilities. All loading and unloading of cargo will be done here also. Presently the AVGAS available is stored in 55-gal. drums in a GP medium tent at same place where bladders will be located.

BUILDINGS: The main building will be "L" shaped, 160' x 60' x 20' wide. It will contain 1700 ft^2 of warehouse space, an office, a radio room, living/eating area and eight bedroom/offices. The latrine will be 10' x 22' and contain three toilets, sinks and showers, and room for a washer and dryer. The buildings and vehicle parking area are almost entirely under trees. Both buildings were designed to use natural ventilation for cooling with only the radio room requiring an air conditioner, but fans will be needed on the hottest calm days. The buildings should be serviceable by Monday 26 May, with only finish work needed. I will finish the buildings when I return. When the buildings have been completed and the carpenters departed, the facility will be operations capable and finish work can be completed as time permits.

COMMS: At present functional communications are housed in a temporary structure with contacts attempted 1600 hrs local daily. The radio is also monitored sporadically during the day as work schedule permits. P. McCauley did an excellent job of setting up comms that is extremely reliable. The radio will be moved from vicinity the AVGAS where they are now upon building completion.

WATER: Getting water has proved to be a problem. A well was dug to 30' near the building site without finding water. After consulting several knowledgeable locals, it was decided to pipe water 1500 meters across the valley from a constant supply spring. This water will gravity feed to a holding tank and then be pumped to an elevated tank to get the required water pressure.

ROAD: The only way in and out of the site is via the road or light aircraft to the ranch. The Maule would require multiple trips almost daily to meet the transportation needs of the airfield. With careful and constant maintenance during the rainy season, it may be possible to use the road all year; depending on the amount and duration of the rain and how quickly the valley drains.

During heavy prolonged rains, the site will be cut off and thought should be given to using a boat as an alternate means of supply/emergency evacuation. There are all weather roads to the coast north and south of the airfield within range of a small boat with outboard motor.

INVENTORY OF WAREHOUSE AT ILOPANGO AS OF [illegible] JULY 1986

HK 21...19

Detonators...2,400

C4 E...362.5 lbs

Prima Cord...5,400mts.

Fuse starter...4500mts

7.62-51...270,000

7.62-39...442,000

7.62-51 Linked...182,500

81MM Shells...1488

60MM Shells...7,975

HGM963...60,510

Uniforms...473

Caps...562

T-Shirts...720

Underwears...921

Belts...456

Pairs Socks...1,640

Boots Pairs...481

Hankerchiefs...441

Canteens...882

Backpacks...481

Poncho Liners...274

Magazine holders...295

Ponchos...475

Military Belts...478

Suspenders...476

Flashlights...452

Batteries...452.

END

00011

II Recurring Costs:	Tot. Expended A/O July 86	[illegible]
a. Leases (4 houses & Wash. commo site)		[illegible]
b. Leases (3 cars)		[illegible]
c. Aircrew, maint. & commo salaries (excluding So. Africans)	218,277.	60,000.
d. Travel	24,606.	6,000.
e. Fuel & Oil	35,000.	12,000.
f. Parts movements	85,789.	
g. Food		3,500.
h. Telephone		1,500.
i. Electricity		150.
j. Drivers & Maids (9) salaries		1,000.
k. Local support (Max / Ramon)		6,000.

III Nonrecurring Costs:

a. Commercial Operational Support (L-100/2 msns.)		67,317.

[illegible]

Subject: ASSETS EXPENDITURES FOR PROJECT HOPE

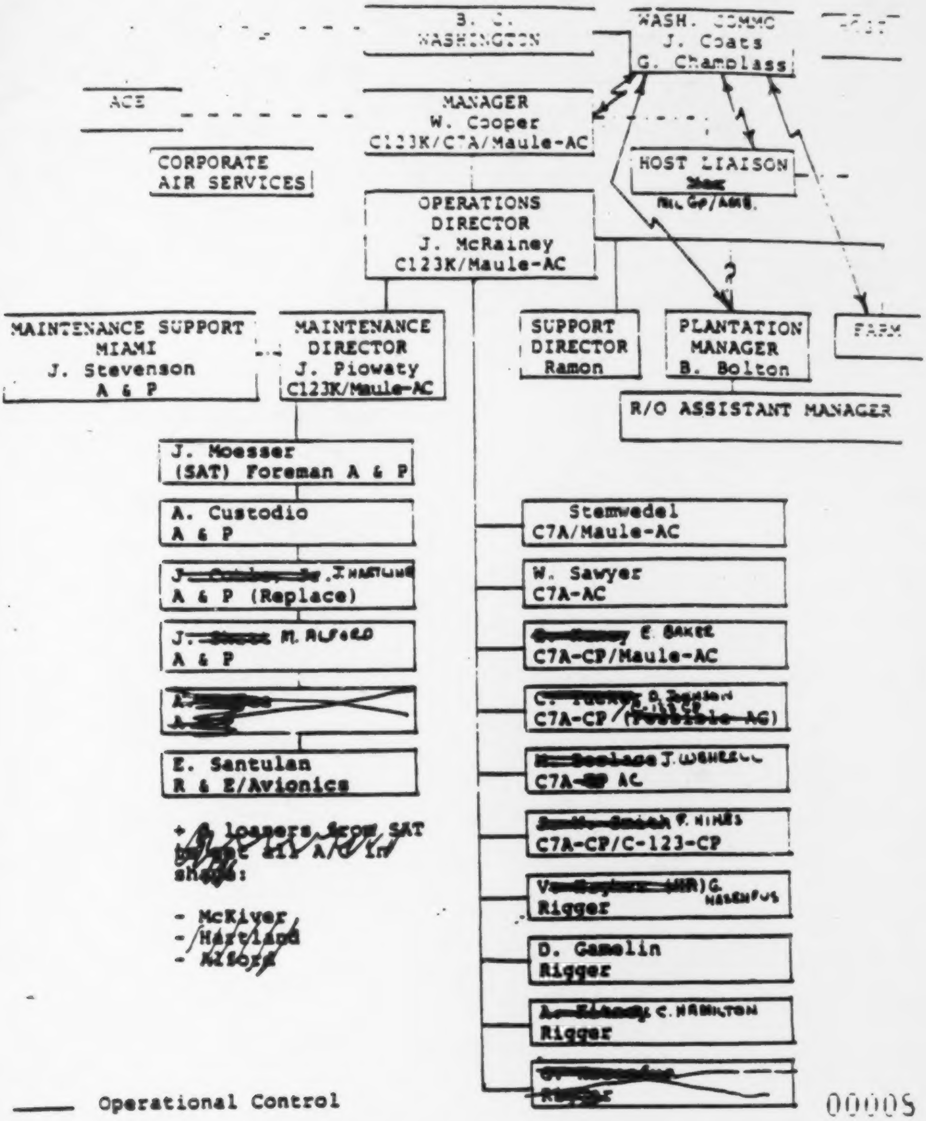
I Assets:

	Cost
a. C-123 (HP-824) N 5677	475,000.
b. C-123 (HP-825)	250,000.
c. C-7 (HP-822)	450,000.
d. C-7 (HP-823)	530,000.
e. Maule (HP-821) N 4410F	60,000.
*f. Warehouse (Llopango) Main bldg. pd. by State, extension paid by us	5,200.
*g. Ramp area for our A/C	5,600.
h. Plantation (West) pers. 192,208; mat. 85,000	502,208.
i. Spare engines (R-2800, R-2000)	84,450.
j. Spare parts	150,000.
k. Parachutes/Rigging	10,000.
l. Radios/Antennas	28,401.
m. Mission Support (Xerox, freezer, refrigs.)	33,886.
n. Long Range Lorans (4)	11,040.
o. NVG's (4)	20,038.
p. Storm Scopes (4)	34,352.
q. Van (1)	5,000.
r. Survival Equipment (10)	4,837.
s. Fuel acct balance (El Salvadorian Air Force)	16,088.
t. Credit w/SAT (have repair bill on HP-824 outstanding)	58,909.
u. Munitions/supplies purchased to date	870,000.
v. Property for Plantation	500,000.
TOTAL	4,089,372.

* Non-recoverable costs

CURRENT SALARIES:

36 K	Garay	3000.	
	Owens	-0-	
51 K	Stemwedel	4250.	
54 K	Sawyer	4500.	
54 K	Cooper	4500.	Up to 4700. when management is all being covered at Cincinnati, A/C and crews ready, reports on time, manning complete, etc.
51 K	McRainey	4250.	Up to 4400. when training program, NVG, forms, etc. working.
51 K	Piowaty	4250.	Up to 4400. when A/C flying, parts flow and response working.
51 K	Kuney	4250.	
42 K	Hughes	3500.	
30 K	Stevenson	2500.	
27.6K	Custodio	2300.	
30 K	Shutt	2500.	
27.6K	Bague	2300.	
30 K 480 K	Coble	2500.	
27.6K	Santucan	2300.	
	Moesser	?	
	Alford	?	
36 K	Gamelin	3000.	
36 K	Smith	3000.	
36 K	Host Liaison (Max)	3000.	
20 K	R/O Wash	1666.	
	Bolton	?	Going on contract
	Replaced	?	
	Borlace	?	South Africans
	Tucker	?	


B. C.
WASHINGTON
WASH. COMMO
J. Coats
G. Champlass
[illegible]
ACE
MANAGER
W. Cooper
C123K/C7A/Maule-AC
CORPORATE
AIR SERVICES
HOST LIAISON
~~Shaw~~
Mil Gp/AMB.
OPERATIONS
DIRECTOR
J. McRainey
C123K/Maule-AC
?
MAINTENANCE SUPPORT
MIAMI
J. Stevenson
A & P
MAINTENANCE
DIRECTOR
J. Piowaty
C123K/Maule-AC
SUPPORT
DIRECTOR
Ramon
PLANTATION
MANAGER
B. Bolton
FARM
R/O ASSISTANT MANAGER
J. Moesser
(SAT) Foreman A & P
A. Custodio
A & P
J. ~~[illegible]~~ J. HASTLING
A & P (Replace)
J. ~~[illegible]~~ M. ALFORD
A & P
~~A. [illegible]~~
~~J. [illegible]~~
E. Santulan
R & E/Avionics
+ ~~[illegible] loaners from SAT~~
~~[illegible] all A/C in~~
~~shape~~:
- McKiver
- ~~Hartland~~
- ~~Alford~~
Stemwedel
C7A/Maule-AC
W. Sawyer
C7A-AC
~~[illegible]~~ E. BAKER
C7A-CP/Maule-AC
~~C. [illegible]~~ D. [illegible] / C-123 CP
C7A-CP ~~(Possible AC)~~
~~[illegible]~~ J. WEHRELL
C7A-~~CP~~ AC
~~[illegible] Smith~~ F. HINES
C7A-CP/C-123-CP
~~V[illegible] (WR)~~ G. HASENFUS
Rigger
D. Gamelin
Rigger
~~[illegible]~~ C. HAMILTON
Rigger
~~[illegible]~~
~~Rigger~~

——— Operational Control

- - - Administrative Command

- · - Direct Liaison

[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
Steele	Robert
Bustillo	Edward
Calero	Mike
Bermudez	Ricardo
Rommano	Sally
State	Wimp
CIA	Nancy
FDN	Eagles
Nicaragua	Eden
El Salvador	Chicago
Ilo Pango	Cincinnati
Tacu[illegible]	New York
Agacate	Albany
SOCAI	Laredo
Sandinista Army	Crews
Sandinista AF	Ravens
AAA	Diodes
SAMS	Diesels
C130/L100	Locomotive
C123	Mule
Ammo	Salt
Radar	Rain
Parachute	Cadillac
C-7	Account

[illegible]	[illegible]
Costa Rica	[illegible]
Honduras	[illegible]
[illegible]	[illegible]
New Orleans	[illegible]
Miami	[illegible]
Sandinista Chopper	Jeep
Honduran Army	[illegible]
Honduran AF	Broncos
[illegible] Dick	[illegible]

Options:

I Sale of entire operation and assets wherein CIA takes control of the entire operation plus assets valued at approximately $4M. The price would be negotiated at some level below the $4M.

II CIA takes over operational control. We maintain the crews and assets and conduct the operations at the following rate:

C-7 at $1300/hr, minimum of 50 hrs/mo.
C-123 at $1800/hr, minimum of 50 hrs/mo.
Maule at $300/hr, minimum of 50 hrs/mo.

Therefore, the basic cost per month to the CIA would be $311,500 plus additive costs for operations in excess of the 50 hours per month.

Note 1: **We prefer option I with the proceeds from the sale going back into a fund for continued similar requirements.**

Note 2: **With either option, the CIA should know that 4/C-123K's have very recently been delivered to Tucson (MASDIC). These should be procured by CIA as they are probably in good condition and there should be a good spare parts stock with them.**

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2000 Hours 30 June. 2 July 1917 EDT N 836

Status of main UNO south force deteriorated badly past 7 days. Radio msgs extremely bitter, accusing us of playing with lives. Force unable find 5 bundles after 3 day search. Now do not believe bundles dropped. Force taking heavy casualties, numbered captured rising. Cite 2 Cubans among other: 3 Important comdrs retreat to [redacted] as expect cross today. Mtn leprosy widespread, complicated by lack medicine, food, clothes, ammo. Bottom line rupture fragile alliance ARDE with UNO. due inability resupply. Force believes fault ours they vehemently reject our reasons. Even so we making new effort, sending two qualified men [redacted]] July. One to [redacted] [redacted] one to [redacted] to set up secure DZ area and organize reception. Expect [redacted] will be quickly organized. Request you come work with us. Need July cassette. [redacted]

From Ralph: Planning to go to [redacted] on Monday to assess situation and assist [redacted] on request x depending on our availability. Advise on construction plans since I am supposed to give money [redacted] for regular expenses. I do not think I will have enough to cover any extras. V

CLIP
N99-143
N.L. L4

N98
12/1/1
Co.

Partially Declassified/Released on 12 May 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

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UNCLASSIFIED

EXHIBIT
OLN-294

EXHIBIT OLN-295

EXHIBIT
[illegible]

NSBFP --CPUA PAUL THOMPSON ~~TOP SECRET~~ [redacted] FLORENCE GANTT
DONA BACCIUS

- JACK GALVIN 07/15/86 12:21:30
NES FROM: NSOLN --CPUA TO: NSJMP --CPUA
TO: NSJMP --CPUA

UNCLASSIFIED

N 12566

Reply to note of 07/11/86 19:20
NOTE FROM: OLIVER NORTH
Subject: PRIVATE BLANK CHECK
The opportunity to discuss the Central America issue with you was welcome and
at the same time, disturbing. In view of last night's CBS piece and this
morning's appalling Washington TIMES item, I can understand why you may well
have reservations about both my involvement in Nicaragua policy and even my
continued tenure here. Since returning a few minutes ago I have been told that
even my luncheon engagement with my sister yesterday is in question. Under
these circumstances, and given your intention that I extricate myself entirely
from the Nicaragua issue, it probably would be best if I were to move on as
quietly, but expeditiously as possible. I want you to know that it is, for me
deeply disappointing to have lost your confidence, for I respect you, what you
have tried to do and have enjoyed working with you on a number of issues
important to our nation. On the plus side of the ledger we have had a close
relationship on several initiatives that could not have been accomplished
without absolute trust between two professionals. At the same time you should
not be expected to retain on your staff someone who you suspect could be
talking to the media or whom you believe to be too emotionally involved in an
issue to be objective in the development of policy options and
recommendations. I know in my heart that this is not the case, but as I said
in our discussion yesterday, we live in a world of perceptions, not realities.
I have taken the liberty of forwarding to you a memo transmitted two weeks ago
which I would like to be sure you have had a chance to see- mostly because it pre
dates the current controversy. I want to be sure that you do indeed know that
I have and will continue to tell you the truth as I see it - for I deeply

1103

Partially Declassified / Released on 9 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

UNCLASSIFIED
~~TOP SECRET~~ [redacted]

JMP 5/69 ⑦

[redacted]

[redacted] UNCLASSIFIED [redacted]

FILE: JUL86 [redacted] AO WHITE HOUSE COMMUNICATIONS AGENCY 12567 PAG

believe that this is the only honorable thing to do. That this, and the relationships established in the region over the past five years are no longer enough to enable me to serve in the various policy fora on Nicaragua is, for me, unfortunate. Nonetheless, I consider myself to have been blessed to have had the chance to so serve for as long as I did. Finally, to end on a substantive note, you should be aware that Gen Galvin will be here for DOD sessions on Mon & Tues next week and wd vy much like to have the chance to meet privately with you. He has suggested any time after 0630 on Tues, but is amenable to yr schedule as long as he will not have to absent himself from DOD sessions. Given the controversy that rages over the CINCSOUTHCOM role in the project, I strongly recommend that you see him if at all possible. Warm regards, North

* PRIVATE BLANK CHECK 07/15/86 09:15:40
MSG FROM: NSOLN --CPUA TO: NSJMP --CPUA
To: NSJMP --CPUA

*** Reply to note of 07/11/86 19:08

JMP #5110 (7a)

UNCLASSIFIED

[redacted]

EXHIBIT OLN-296

TOP SECRET UNCLASSIFIED

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

SYSTEM IV
NSC/ICS-40285

[illegible] released on 22 June 1987, under [illegible] 12356 by [illegible] Council

~~TOP SECRET~~

ACTION

July 29, 1986

N 44486

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: OLIVER L. NORTH

SUBJECT: Next Steps on the American Hostages

[redacted]

[redacted] Father Jenco is scheduled to meet with the President on Friday, August 1, at 2:00 p.m.

Based on information derived from [redacted] our discussions with Ghorbanifar, Nir, and [redacted] and the [redacted] we have drawn the following conclusions:

-- Jenco was released as a direct result of action taken by [redacted] on or about July 21.

[redacted]

~~TOP SECRET~~
Declassify: OADR

TOP SECRET UNCLASSIFIED

1216

EXHIBIT
OLN-296

UNCLASSIFIED

[redacted]

-- [redacted] believed that he had consumated an arrangement with the Americans through Ghorbanifar on the terms for release of the hostages.

-- [redacted] expectations regarding the immediate delivery of the 240 HAWK missile parts were apparently transmitted to higher authority in Iran. Discussions with [redacted] in Europe (Sunday, July 27) and calls from him today indicate that [redacted] is in considerable personal jeopardy as a consequence of not having received what he believed we promised.

-- It is entirely possible that if nothing is received [redacted] will be killed by his opponents in Tehran, Ghorbanifar will be killed by his creditors (they are the beneficiaries of a $22M life insurance policy), and one American hostage will probably be killed in order to demonstrate displeasure.

-- Although the Dawa 17 in Kuwait continue to be mentioned as the ultimate demand on the part of the hostage holders, [redacted] we have not seen reference to this issue since our meeting in Tehran (Tab B).

It is obvious that the conditions for the release of the hostages arranged between Ghorbanifar and [redacted] are unacceptable. Nonetheless, we believe that Ghorbanifar acted on what he considered to be the following arrangement:

Step 1: One hostage released and $4M to Ghorbanifar for items removed from the aircraft in Tehran during the May visit (Ghorbanifar received the $4M on July 28).

Step 2: Remainder of 240 parts plus full quota of electron tubes (Item 24 on Iranian parts list) and 500 TOWs delivered to Iran.

Step 3: Second hostage released and Ghorbanifar paid for remainder of 240 parts.

Step 4: 500 TOWs and 1 HIPAR radar delivered.

Step 5: Third hostage released and Ghorbanifar paid for one radar.

Step 6: Meeting in Tehran to discuss future followed by release of the last hostage and delivery of second HIPAR radar.

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We believe that the mixture of HAWK parts and TOWs is designed to satisfy both the military and the revolutionary guards in Iran. At this point, [redacted] will probably be able to retain his credibility if just the 240 parts are delivered from Israel. We believe that he can be convinced to follow-up this delivery with a meeting in Europe to discuss next steps.

At such a meeting, we should endeavor to produce a concrete schedule that is agreeable to both parties and which allows all remaining hostages to be released simultaneously. The Jenco release [redacted] indicate that this is clearly within the power of the Iranians, if they are so inclined. While they will continue to haggle over prices, timing, and sequence, the delivery of the 240 should help to assure the Iranians that we will keep our word. It is important that a face-to-face meeting occur so that we can establish the terms rather than having Ghorbanifar negotiate for us. Finally, even after the parts are delivered, we still retain some leverage over [redacted]

--

-- [redacted]

RECOMMENDATION

That you brief the President regarding our conclusions on the Jenco release as indicated above and obtain his approval for having the 240 HAWK missile parts shipped from Israel to Iran as soon as possible, followed by a meeting with the Iranians in Europe.

Approve J 7/30/8 Disapprove ____

President approved.

J

Attachments
Tab B - [redacted]

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N 444

[redacted]

7 pages WITHDRAWN
JEX 4/20/87

[redacted]

[redacted]

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Exhibit OLN-297

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COMPARTMENTED INFO

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N 49102

[illegible] President

☐	ACTION	☐	FILE
☐	APPROVAL	XX	INFORMATION
☐	COMMENT	☐	PREPARE REPLY
☐	CONCURRENCE	☐	RECOMMENDATION
☐	DIRECT REPLY	☐	RETURN
☐	DISPATCH	☐	SIGNATURE

REMARKS:

cc: Oliver North (#2 and 3)
Jim Radzimski (#4)

NSC/ICS CONTROL NO. 42013

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HANDLE VIA SYSTEM IV CHANNEL ONLY

NSC INTELLIGENCE DOCUMENT

Warning Notice
Intelligence Sources and Methods Involved
NATIONAL SECURITY INFORMATION
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EXHIBIT
OLN-297

[illegible]-544

UNCLASSIFIED

27 June 1986

N 49103

~~SECRET~~

Lengthy meeting this afternoon with Gorba and Nir followed by discussion with [redacted] via phone. Following are salient points. [redacted] believes he has demonstrated his ability to perform and has expectations we are now prepared to deal. Despite our earlier and current protestations that we want all hostages before we deliver anything, this is clearly not the way they want to proceed. They see clearly that the ball is now in our court. In discussion with [redacted] he repeatedly asked quote - "When are you going to deliver". While [redacted] made no specific threat, he noted that he was under intense pressure and could not totally control events. We will call him back 28 July at 1100 Frankfurt time and urge that he come to Europe for a meeting and to do nothing rash in the meantime. We are trying to make this idea attractive - [redacted] Jenco has expressed a desire to thank the three world leaders responsible for his release. The Pope, The Archbishop of Canterbury and RR. The first two intend to oblige. Can we deliver on the last? Unodir we will call [redacted] in A.M. and urge him to meet us in Europe ASAP. Since it will take him several days to get authorization to come, we plan to return to D.C. via Pan Am 061 on 28 July and report to JMP in evening. Please advise via this channel if other instructions obtain. Warm regards. North/Cave

Bottom line, is that if we want to prevent the death of one of the three remaining hostages, we are going to have to do something.

[illegible]

MFR above is:

"Put this in sealed envelope
and have Ollie pick it up"

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

SYSTEM IV
NSC/ICS-402013

N 49104

July 26, 1986

~~TOP SECRET~~ COMPARTMENTED INFORMATION

ACTION

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: OLIVER L. NORTH

SUBJECT: American Hostages

Attached at Tab I is a memo from you to the President outlining what we know of the Jenco release. Attached at Tab II are talking points for use by Cave/North with Mir/Ghorbanifar/[redacted] in Frankfurt, GE.

Cave is departing Geneva tonight to meet North/Secord in Frankfurt tomorrow (Sunday) morning. Mir and Ghorbanifar depart London tomorrow and have called [redacted] to meet them in Frankfurt, GE, Sunday morning. The purpose of the meeting is to assess Iranian expectations and ability to release the remaining American hostages.

A draft of the DCI assessment on the American hostages and the Jenco release is attached at Tab III. This paper was prepared by Charlie Allen and Dewey Clarridge and has been delivered to Director Casey.

RECOMMENDATIONS

1. That you initial and forward your memo to the President at Tab I.

Approve ____ Disapprove ____

2. That you approve North travel to and from Frankfurt, GE, as described above.

Approve J____ Disapprove ____

3. That you approve the talking points at Tab II.

Approve ____ Disapprove ____

Attachments
Tab I - Poindexter Memo to the President
Tab II - North/Cave Talking Points
Tab III - DCI Assessment of Hostage Situation

~~TOP SECRET~~ COMPARTMENTED INFORMATION

Declassify: OADR UNCLASSIFIED

NOTE: ITEMS 2 & 3 ARE INITIALED JP AS [illegible]

[illegible] President [illegible]

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N 49105

TAB

I

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THE WHITE HOUSE

WASHINGTON

SYSTEM IV
NSC/ICS-42013
N 47106

~~TOP SECRET~~ COMPARTMENTED INFORMATION

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN M. POINDEXTER

SUBJECT: American Hostages

The release of Father Lawrence Jenco is a second positive step in our protracted and difficult dialogue with the Iranians. Father Jenco's release undoubtedly comes about as a result of Bud McFarlane's trip at the end of May and the continuing direct and indirect contacts we have had with Iranian officials. Our Israeli contacts and the Iranian intermediary in Europe advise that the Iranian Government now expects some reciprocal move on our part -- though exactly what, we are uncertain.

[redacted] the decision to release Father Jenco was made in Tehran on or about July 21. On Wednesday, July 23, our Israeli point of contact advised us that "if, as we hope, a hostage is released, it will be Jenco." It was also on this date that the Israeli point of contact (Amiram Nir) told the Iranian intermediary in Europe that the USG was breaking off all contact on this matter. We have also learned that July 24 was a key date in the most recent release:

-- The Iranian Government paid their European intermediary $4M on Thursday, July 24, as partial payment for HAWK missile parts, which were removed from our mission aircraft at the end of May. (It is important to note that in order to pay the Israelis for the HAWK missile parts, the Iranian intermediary in Europe borrowed more than $15M and has been under threat of death from his creditors. The Israelis regard this payment as further proof that the Iranians wish to continue the contact with the U.S. on the hostage issue.)

-- [redacted]

~~TOP SECRET~~ COMPARTMENTED INFORMATION

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Our next step will be to have two USG representatives meet with the Israeli and Iranians in Europe, if possible, tomorrow in an effort to determine Iranian expectations. This is not a negotiating session, but rather an attempt to maintain contact and, if possible, assess how we should now proceed. To our knowledge, no new Israeli deliveries have occurred and all remaining HAWK missile repair parts are still in a covert depot in Israel.

Prepared by:
Oliver L. North

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~~TOP SECRET~~ COMPARTMENTED INFORMATION

NORTH/CAVE TALKING POINTS

-- You have seen the President's statement regarding the release of Father Jenco. This is very much in line with what your people had suggested.

-- Our government remains prepared to open direct and private discussions with your government leading to a normalization of relations.

-- We recognize the important role played by your government in the release of Father Jenco and regard this to be a very positive step.

-- It is important that there not be any misunderstandings or false expectations regarding the release of Father Jenco.

-- On every occasion, including our meetings in Tehran, we made it clear that we were not going to barter over the lives of human beings.

-- While we are not empowered to negotiate with you regarding any further deliveries of materiel, it is important that you recognize that the understanding we proposed in Tehran is still operative. We have been instructed to report back to our government any changes to this proposal.

-- We continue to believe that a direct channel of communication, which will prevent misunderstandings is important. As we indicated in Tehran, we are prepared to dispatch a [redacted] communications team to Tehran to faciliate this communication.

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May 21 1986
N 43110

TERMS OF REFERENCE
U.S.-Iran Dialogue

I. BASIC PILLARS OF U.S. FOREIGN POLICY (Optional)

-- President Reagan came into office at a time when Iran had had a certain impact on the American political process -- perhaps not what you intended.

-- The President represents and embodies America's recovery from a period of weakness. He has rebuilt American military and economic strength.

-- Most important, he has restored American will and self-confidence. The U.S. is not afraid to use its power in defense of its interests. We are not intimidated by Soviet pressures, whether on arms control or Angola or Central America or Afghanistan.

-- At the same time, we are prepared to resolve political problems on the basis of reciprocity.

-- We see many international trends -- economic, technological, and political -- working in our favor.

II. U.S. POLICY TOWARD IRAN: BASIC PRINCIPLES

A. U.S. Assessment of Iranian Policy.

- We view the Iranian revolution as a fact. The U.S. is not trying to turn the clock back.

- Our present attitude to Iran is not a product of prejudice or emotion, but a clear-eyed assessment of Iran's present policies.

- Iran has used "revolutionary Islam" as a weapon to undermine pro-Western governments and American interests throughout the Middle East. As long as this is Iran's policy, we are bound to be strategic adversaries.

- Support of terrorism and hostage-taking is part of this strategic pattern. We see it used not only against us, but against our friends. We cannot accept either. Your influence in achieving the release of all hostages/return of those killed (over time) is essential.

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- We see your activity in many parts of the world, including even Central America.

- The U.S. knows how Iran views the Soviet Union. But subversion of Western interests and friends objectively serves Soviet interests on a global scale.

- Thus, our assessment is that a decisive Iranian victory in the war with Iraq would only unleash greater regional instability, a further erosion of the Western position, and enhanced opportunities for Soviet trouble-making.

- The U.S. will therefore do what it can to prevent such a development. We regard the war as dangerous in many respects and would like to see an end to it.

B. Possible Intersections of U.S.-Iranian Interests.

- Despite fundamental conflicts, we perceive several possible intersections of U.S. and Iranian interests. I propose we explore these areas.

- First, the U.S. has had a traditional interest in seeing Iran preserve its territorial integrity and independence. This has not changed. The U.S. opposes Soviet designs on Iran.

- Second, we have no interest in a Iraqi victory over Iran. [redacted] We are seeking an end to this conflict and want to use an improved relationship with Iran to further that end.

- Third, we have parallel views on Afghanistan. Soviet policy there is naked aggression, a threat to all in the region. [redacted] But our objective is the same: the Soviets must get out and let the Afghan people choose their own course.

C. U.S. Objective Today.

- We have no illusions about what is possible in our bilateral relations. Perhaps this meeting will reveal only a limited, momentary, tactical coincidence of interests. Perhaps more. We are prepared either way.

- In essence, we are prepared to have whatever kind of relationship with Iran that Iran is prepared to have with us.

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III. SOVIET MILITARY POSTURE

-- Moscow has designs on parts of Iran. [redacted]

-- Afghanistan illustrates the price the Soviets are ready to pay to expand areas under their direct control.

-- Summarize Soviet capabilities along border and inside Afghanistan which could threaten Tehran.

-- U.S. is aware of Soviet activity [redacted]

-- Soviet plans [redacted] How they would do it.

-- Iranian support to Sandinista regime in Nicaragua aids and abets Soviet designs -- makes U.S.-Iranian relationship more difficult ($100 million in oil, plus arms).

-- U.S. can help Iran cope with Soviet threat.

IV. AFGHANISTAN

-- May be real value for Iran and U.S. to find ways to cooperate against Moscow in Afghanistan.

-- U.S. can provide humanitarian assistance for refugees [redacted]

-- We need to know who you work with, what you already provide, and devise strategy to exploit Iranian comparative advantage.

V. HARDWARE

-- We may be prepared to resume a limited military supply relationship.

-- However, its evolution and ultimate scope will depend on whether our convergent or our divergent interests come to loom larger in the overall picture.

-- What does Iran want?

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[redacted]

July 26, 1986

MEMORANDUM FOR: Vice Admiral John M. Poindexter
Assistant to the President for
National Security Affairs

SUBJECT: American Hostages

After discussing the release of Father Lawrence Jenco with Charlie Allen and Dewey Clarridge, I believe it is important tha you have our assessment of this development and prospects for release of additional hostages.

First, it is indisputable that the Iranian connection actually worked this time, after a series of failures. You will recall that the [redacted] Ghorbanifar connection also resulted in the release of Reverend Weir in September 1985. [redacted] After the impasse in Tehran over in late May, [redacted] continued to initiat direct contact with one of my officers, George Cave, even though the Iranians had been told that we were no longer interested in pursuing the matter. The fact that [redacted] persisted in contac ing us indicates his desire to arrange a "deal" with Washington either through Ghorbanifar or, if necessary, with Cave. He also clearly wanted to keep a channel open. Amiram Nir, Special Assistant to the Prime Minister of Israel on Counter-Terrorism, has also played a critical role in a determined effort to force Iran to begin the release of American hostages. He has been supported by Prime Minister Peres and Defense Minister Rabin in this endeavor. In order to make the terms of the arrangements more palatable, Israel, on its own, offered additional arms "to sweeten the deal."

[redacted]. On July 21, [redacted] To reinforce this commitment, he transferred $4M to a West European bank to pay h European intermediary for the HAWK spare parts removed from our mission aircraft in May. On Wednesday, July 23, when no hostag

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had been released. Ghorbanifar was instructed to inform [redacted] that "the deal was off." [redacted]

In return for the release, [redacted] probably expects to receive most of the HAWK spare parts not yet delivered, along with additional military equipment that Israel unilaterally has added to the arrangement. Once this equipment is delivered, [redacted] stated that Iran would take action to obtain the release of one more hostage and would pay the remainder of the money owed to the Iranian intermediary for the HAWK spare parts. [redacted] moreover, indicated a willingness to meet with U.S. officials again on these matters, either in Tehran or "somewhere else" -- presumably Western Europe.

This is how we see the current situation:

-- The Ghorbanifar [redacted] connection has worked for the second time -- and another American has been released.

-- Ghorbanifar is an uncontrollable factor, but appears to respond generally to Nir's direction.

-- Nir has every reason to work for further releases of our hostages. Peres and Rabin have put their reputation on the Ghorbanifar [redacted] connection and support Nir fully in his endeavors. There would be a considerable loss of face for Nir and his superiors if the link were broken. This connection appears to be the only hope they have for recovering their own missing soldiers.

-- [redacted] has now acted and likely expects the United States to respond quickly in turn by delivering most of the remaining HAWK spare parts. He probably believes the United States is also supplying the additional military equipment that has been promised.

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-- If the deliveries do not occur, [redacted] will lose badly with his superiors in Tehran and matters could turn ugly, especially since the Lebanese Hizballah captors probably are not pleased with the Jenco release.

-- If there is no USG contact as a result of Jenco's release, it is entirely possible that Iran and/or Hizballah could resort to the murder of one or more of the remaining hostages.

In summary, based on the intelligence at my disposal, I believe that we should continue to maintain the Ghorbanifar-[redacted] contact and consider what we may be prepared to do to meet[redacted] minimum requirements that would lead to release of the rest of the hostages. Although I am not pleased by segmented releases of the American hostages, I am convinced that this way be the only way to proceed, given the delicate factional balance in Iran. I also see resolution of the hostage issue as potentially leading to contacts with moderate factions in Iran that we may be able to deal with in the longer term.

William J. Casey

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DRA

EXHIBIT OLN-298

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EXHIBIT
OLN-298

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FILE: NOTE  '  OFFLOG11 AO  WHITE HOUSE COMMUNICATIONS AGENCY          PAGE 162
4

 WILL DISCUSS AT LUNCH.
   J CONTRA PROJECT                                                       0
 MSG FROM: NSJMP   --CPUA     TO: NSOLN   --CPUA          05/08/86 10:54:36
 To: NSOLN   --CPUA

 *** Reply to note of 05/08/86 08:07
                                          -- SECRET --
 NOTE FROM: JOHN POINDEXTER
 Subject: Iran
 GOOD WORK.  LET'S DISCUSS AT LUNCH.
      Iran                                                                0
 MSG FROM: NSJMP   --CPUA     TO: NSOLN   --CPUA          07/11/86 19:20:33
 To: NSOLN   --CPUA

 *** Reply to note of 07/11/86 07:27
                                          -- SECRET --
 NOTE FROM: JOHN POINDEXTER
 Subject: PRIVATE BLANK CHECK
[redacted] WORK.  LET'S GET TOGETHER SOON TO TALK ABOUT THIS.
     PRIVATE BLANK CHECK                                                  0
[redacted]
                                          -- SECRET --
[redacted]
                                                                          0
 MSG FROM: NSOLN   --CPUA     TO: NSJMP   --CPUA          08/23/86 15:52:52
 To: NSJMP'  --CPUA

 *** Reply to note of 05/08/86 10:54
 NOTE FROM: OLIVER NORTH
 Subject: Iran
 We have had an intensive series of discussions w/ Nir, Gorba and [redacted] over
 the past 48 hrs. It is not clear whether Nir/Gorba are aware that we are
 talking directly to [redacted] Basic proposal as outlined to you over phone
 remains unchanged; i.e., sequential release for sequential deliveries. We must,

 however resolve the problem of how to provide the parts which we promised but
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on 5/7/87

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N 12151

do not have in stock. [redacted] has assigned an officer to work w/ Army logistics in an effort to find (or manufacture, if necessary) the missing/wrong items. Both Gorba and [redacted] have been told not to ship the 61 defective/wrong parts back and that we will backhaul them on the next delivery. Copp has been told to keep a crew in readiness for a further mission and has been apprised of the general parameters of the arrangement. We agree that from a logistics perspective, the sequential arrangement is preferable in that it requires only one crew and one A/C throughout thus reducing visibility and enhancing OPSEC. We should have a better fix on availability of parts early in the week and meanwhile have told Gorba and [redacted] that both sides should bring a technical expert familiar w/ the appropriate system to the meeting. [redacted] told Geo. this morning that it wd be best to bring an expert w/ us to Tehran for the meeting and he could see for himself what the problems are. Having discussed this proposal this a.m. w/ both Clarridge and Cave we all believe this to be the best course of action, especially if we can leave our "technical expert" and a communicator behind in Tehran. CIA is now looking for a good Ops officer who is familiar w/ the system. Dick already has one identified, but CIA wd prefer to use its own officer if they can find one. We should get back to [redacted] w/ an answer by Monday. All of us rate the risk to be relatively low, particularly given the experience we had in May. If you approve, we wd use [redacted] documents (as we did in May) and go in via the Iran Air flight to/from Frankfurt. Estimated time on mission wd be two days. We wd plan to go over a weekend to reduce visible absence fm D.C. NEW SUBJECTS:

[redacted]

DENY

DENY

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Declassified as per Key NSC Docs #6

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*** Reply to note of 05/[illegible]

-- SECRET --

N 12587

NOTE FROM: JOHN POINDEXTER
Subject: Iran

Yes, I know about Don. I spoke to Alison this morning. I also talked to the President about it. We are making arrangements for interrment at Arlington. It is very sad. Makes you realize how vulnerable we are.

On the hostages — I just don't know. One of the things that has concerned me for some time was the report that you got from Copp about how the parts wouldn't really help their problem for lack of test equipment, not ordering all of the right parts and the lack of knowledge of the system. If we get into a sequential arrangement, we really have to be prepared to deliver a lot more material and arrange a rather continuing technical arrangement. Of course that could all be done, but after the hostages are released. I just don't see how we can have such a continuing relationship until that happens. On the Syrian angle, [redacted] we could make clear that if we get all of the hostages back that we want to accomplish the same long term goal that they do — a better relationship with Iran. Before we agree to a sequential arrangement I think we ought to straighten out our committment on the 240 — that alone will help establish our good faith that we aren't trying to cheat them. Then we should wait a bit and see what the [redacted] channel delivers. We should push the Israelis on the Shia's. Keep talking to [redacted]

[redacted]

Iran
MSG FROM: NSOLN --CPUA TO: NSJMP --CPUA 05/23/86 15:52:52
To: NSJMP --CPUA

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Partially Declassified/Released on 11MAY(87)

~~TOP SECRET~~ [redacted]

JMP 4 /108

EXHIBIT OLN-299

EXHIBIT
OLN-299

FILE: NOTE [redacted] WHITE HOUSE COMMUNICATIONS AGENCY PAGE 175

[redacted]

N 12156

*** [redacted]

*** [redacted]

[redacted]

NA

[redacted]

*** [redacted]

MSG FROM: NSOLN --CPUA TO: NSDCM --CPUA 09/03/86 20:12:50
To: NSDCM --CPUA

*** Reply to note of 09/02/86 21:46
NOTE FROM: OLIVER NORTH
Subject: Anything going on??
We still have no response to JMP re proceeding w/ the sequential release proposal outlined to you some time back. Have now undertaken to have Casey raise same w/ JMP tomorrow at the weekly mtg. The things one must do to get action. Am hopeful Bill can push hard enough to move on the matter. Dic will be here next week and will raise enough hell to move it if it hasn't all fallen apart by then. The basic problem, as you know, is that we dither so long on these things that by the time we're ready to go to bat, the rules have changed again. I agree w/ yr assessment that the next mtg in Tokyo is unlikely to be for some time. My hope is that we will not be trying to adjust yr sched for next June for this next mtg. NEW SUBJECT: It is obvious to me that the effort down south is going to require an intensive effort that goes beyond the CIA's ability to support (e.g. U.S. travel, speeches, pubs, etc. by UNO) and that a mechanism needs to be estab by which these activities can be carried out fully aboveboard. How abt a 501c(3) Nicaraguan Democracy Institute, HQ in D.C., headed by someone like Jack Gavin w/ Judge Clark, [illegible], Paul Gorman, et al on the board of directors. Said NDI takes $, pays for P/R, UNO activities in U.S., does med treatment for wounded Contras in U.S., etc. which CIA cannot do. These activities are now all done by Project Democracy - which is currently supposed to be out of the Contra business as of about 1 Oct.

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Partially Declassified/Released on 12 MAY 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

Somebody has to do this stuff and it strikes me that Bill & [illegible] is abt to acquire the services of a bright gal who cd handle international and domestic P/R for the movement pretty well.

I think we cd get some good Republicans (Bill Walsh, et al) to help out and have the PDI publish regular financial statements (unlike Project Democracy) which will make this an attractive place for right minded people to make contributions. What think?

2. Anything going on??

[redacted]

[redacted]

N 12157

[redacted]

[redacted]

[redacted]

[redacted]

EXHIBIT OLN-300

~~SECRET~~ UNCLASSIFIED

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

Non-Log

J 5968

September 2, 1986

~~SECRET~~

ACTION

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: OLIVER L. NORTH

SUBJECT: Next Steps with Iran

Attached at Tab I is a non-paper summarizing the current situation and proposals on next steps. This document has been prepared in conjunction with CIA, which concurs in the proposed next steps.

RECOMMENDATION

That you approve next steps as indicated on page 2 of the non-paper at Tab I.

Approve ✓ Disapprove ____

Attachment
Tab I - Next Steps with Iran

~~SECRET~~
Declassify: OADR

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Partially Declassified/Released on 29 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

EXHIBIT
OLN-300

[redacted] SECRET UNCLASSIFIED [illegible]

NEXT STEPS WITH IRAN

Ongoing Activities

There are currently five separate activities underway which are related to resolution of the American hostage situation and a potentially broadened relationship with the Government of Iran:

[redacted]

C -- [redacted] In coordination with the CIA, Copp and
C two of his associates met for two days last week with [redacted]
B indicated a full awareness of the May trip to Tehran and the ongoing activity involving [redacted] and Ghorbanifar. [redacted] clearly indicated that he had a specific mandate from

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Declassify: OADR UNCLASSIFIED

B [redacted] to meet with USG officials seeking a means for "getting beyond the hostage issue" and starting a dialogue with the USG. [redacted] has returned to Tehran and has since
C informed us of a pending TOW sale through [redacted] and further indicated that he is prepared to proceed with further discussions. He has further noted that the Government in Tehran is very concerned over Soviet activities in the Gulf and is aware that a "final victory" over [illegible] will not be
C possible. There is considerable evidence that [illegible] is indeed a bonafide intermediary seeking to establish direct contact with the USG for Rafsanjani's faction within the Government of Iran.

B [redacted] Ghorbanifar: Since the release of Father [illegible] that portion of the 240 parts which was available has been delivered. The Iranians have advised through [illegible] that at least 63 of the items delivered are improper or inoperable. Further, 289 of the items promised have not been received. They have offered to return the damaged/incorrect parts, but have been told to return them on a subsequent delivery flight. The Iranians continue to insist on a sequential delivery process and in a meeting in London with Nir a specific seven step delivery/release pattern was proposed:

- Deliver 500 TOWs and the 39 electron tubes for the HAWK system previously requested.
- Sutherland released.
- Deliver [illegible] TOWs and one of the HAWK radars previously requested.
- Anderson released.
- Meeting in Tehran to discuss broadened relationship, Soviet intelligence, etc.
- Deliver remaining radar and 1000 TOWs while we are in Tehran.
- Jacobsen released and [redacted] delivered.

B CIA concurs that the [redacted] Ghorbanifar connection is the only proven means by which we have been able to effect the release of any of the hostages. Though the sequential plan is not what we prefer, the commodities and quantities are within the framework of our original understanding. CIA believes that we should proceed expeditiously with the Ghorbanifar connection and pursue the other five alternatives as subsidiary efforts.

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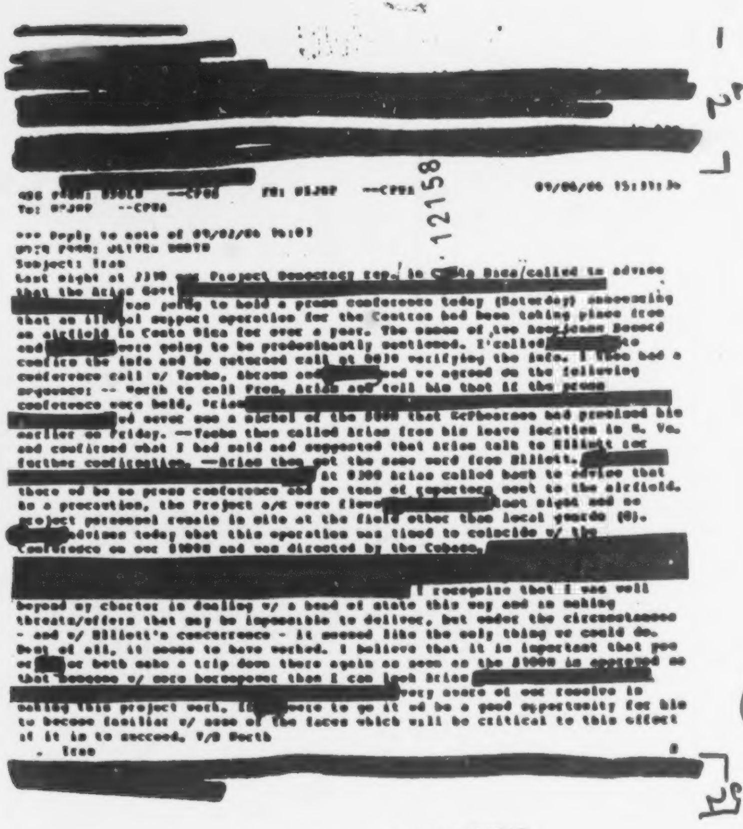
EXHIBIT OLN-301



[redacted]

*** FROM: NSOLN --CPUA TO: NSJMP --CPUA N.12158 09/06/86 15:31:36
To: NSJMP --CPUA

*** Reply to note of 09/02/86 16:03
NOTE FROM: OLIVER NORTH
Subject: Iran

Last night at 2330 our Project Democracy rep. in Costa Rica/called to advise that the Arias Govt [redacted] [redacted] was going to hold a press conference today (Saturday) announcing that an illegal support operation for the Contras had been taking place from an airfield in Costa Rica for over a year. The names of two Americans Secord and [redacted] were going to be predominantly mentioned. I called [redacted] to confirm the info and he returned call at 0010 verifying the info. I then had a conference call w/ Tambs, Abrams and [redacted] and we agreed on the following sequence: -- North to call Pres. Arias and tell him that if the press conference were held, Arias [redacted] [redacted] wd never see a nickel of the $80M that McPherson had promised him earlier on Friday. --Tambs then called Arias from his leave location in W. Va. and confirmed what I had said and suggested that Arias talk to Elliott for further confirmation. --Arias then got the same word from Elliott. [redacted] [redacted] At 0300 Arias called back to advise that there wd be no press conference and no team of reporters sent to the airfield. As a precaution, the Project a/c were flown [redacted] last night and no project personnel remain in situ at the field other than local guards (8). [redacted] advises today that this operation was timed to coincide w/ the conference on our $100M and was directed by the Cubans. [redacted] I recognize that I was well beyond my charter in dealing w/ a head of state this way and in making threats/offers that may be impossible to deliver, but under the circumstances - and w/ Elliott's concurrence - it seemed like the only thing we could do. Best of all, it seems to have worked. I believe that it is important that you or [redacted] or both make a trip down there again as soon as the $100M is approved so that someone w/ more horsepower than I can look Arias [redacted] [redacted] very aware of our resolve in making this project work. If [redacted] were to go it wd be a good opportunity for him to become familiar w/ some of the faces which will be critical to this effort if it is to succeed. V/R North

. Iran

[redacted]

663

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Partially Declassified/Released on 12 MAY 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

EXHIBIT
OLN-301

EXHIBIT OLN-302

UNCLASSIFIED

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

Non-Log

N 2807

September 8, 1986

~~TOP SECRET~~

SENSITIVE

ACTION

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: OLIVER L. NORTH

SUBJECT: Next Steps with Iran

Attached at Tab I is a non-paper which provides an update on the current situation for your use in discussing next steps with the President. This paper supplements the previous paper forwarded on September 2, 1986 and has been prepared in conjunction with CIA.

[redacted]

RECOMMENDATION

That you use the attached papers in discussing our next steps with the President.

Approve ✓ Disapprove ____

Attachments
- Tab I - Supplement Paper on Next Steps with Iran
- Tab II - Allen Memo to Poindexter of September 8, 1986

Partially Declassified/Released on 29 June 1987
under provisions of E.O. 12356
By B. Reger, National Security Council

1327

~~TOP SECRET~~
Declassify: OADR

UNCLASSIFIED

SENSITIVE

EXHIBIT
[illegible]

N1

~~TOP SECRET~~ ~~TOP SECRET~~ UNCLASSIFIED ~~SENSITIVE~~

Supplement

NEXT STEPS WITH IRAN

N 2808

Ongoing Activities

Last week, we summarized the five separate activities we have underway in our effort to resolve the American hostage situation and broaden our relationship with the Government of Iran:

[redacted]

-- Rafsanjani [redacted]: In coordination with the CIA, Copp and his associates have kept in contact with [redacted] Majlis Speaker Rafsanjani [redacted] has now advised that "the several factions in Tehran have agreed to a serious discussion with American officials, preferably in Europe next week." As previously indicated [redacted] is fully aware of the May trip to Tehran and the ongoing activity involving [redacted] and Ghorbanifar. [redacted] continues to indicate that he has a specific mandate from [redacted] to meet with USG officials seeking a means for "getting beyond the hostage issue" and starting a dialogue with the USG.

-- [redacted] Ghorbanifar: Pursuant to guidance, efforts were made over the weekend to convince [redacted] to release of all three Americans simultaneously. [redacted] steadfastly rejected this proposal citing the intransigence of the captors and Iranian inability to ensure results.

Since last week, CIA and Army Logistics have located a significant number of HAWK parts which had previously been listed as "unavailable." We now believe that the total "package" will be sufficient to entice the Iranians to proceed with the sequential release pattern proposed in the London meetings.

UNCLASSIFIED SENSITIVE

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Declassify: OADR

Since Sunday [redacted] has sought, in dozens of calls, to contact Abe, Goode, Sam, and Copp. This afternoon, when Sam returned call to him he told Sam that his "boss approved of the meeting that was to take place" and referred specifically to the meetings two weeks ago with Rafsanjani [redacted] in Brussels. CIA evaluates this information as confirmation that Rafsanjani may be moving to take control of the entire process of the U.S. relationship and the hostages.

Other Issues

[redacted] Given the urgency of calls from Iran and Rafsanjani's apparent willingness to endorse U.S./Iranian discussions, Iran may be making all possible attempts to acquire requisite arms [redacted]

Director Casey conducted a review of the Iranian project today and has directed his people to initiate necessary preparations for acquiring the parts promised in earlier discussions with the Iranians. CIA continues to believe that the [redacted] Ghorbanifar connection is the only proven means by which we have been able to effect the release of any of the hostages. Though the sequential plan is not what we prefer, the commodities and quantities are within the framework of our original understanding. CIA believes that we should proceed expeditiously with arrangements to implement the sequential plan proposed by [redacted] -- with hopes that we could improve on it in discussions with Rafsanjani's representatives when they arrive in Europe. In this regard, our window of opportunity may be better than it will ever be again, if we are able to consummate the release of the hostages before the Iranian offensive begins.

Document

(N 2810 – 2811) [2pgs]

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its Entirety

EXHIBIT OLN-303

Partially Declassified/Released on July 8, 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

TOP SECRET UNCLASSIFIED

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

Non-Log

N 2927

September 15, 1986

TOP SECRET

ACTION

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: OLIVER L. NORTH

SUBJECT: Follow-on Meeting with Amiram Nir

You are scheduled to meet with Ami Nir again this afternoon at 1:30 p.m. for 10 minutes. Purpose of this meeting is to debrief Nir on his meetings with Peres over the weekend. You will then be able to brief the President on Peres' views [redacted]

[redacted]

RECOMMENDATIONS

1. That you privately discuss the papers at Tabs I and II with Director Casey and indicate next steps after the conversation.

Approve J Disapprove ____

See note on Tab II. [illegible] to [illegible].

2. That you brief the President on the initiatives outlined at Tab III.

Approve J Disapprove ____

Done

Attachments
[redacted]
Tab III - Possible Peres Discussion Items with the President

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TOP SECRET

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EXHIBIT
OLN-303

Document

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(3pgs)

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UNCLASSIFIED

September 13, 1986

N 2931

POSSIBLE PERES DISCUSSION ITEMS WITH THE PRESIDENT

Amiram Nir, the Special Assistant to Prime Minister Peres on Counter-Terrorism, has indicated that during the 15 minute private discussion with the President, Peres is likely to raise several sensitive issues:

[redacted]

-- **Hostages**: Several weeks ago, Peres expressed concern that the U.S. may be contemplating termination of current efforts with Iran. The Israelis view the hostage issue as a "hurdle" which must be crossed enroute to a broadened strategic relationship with the Iranian government. It is likely that Peres will seek assurances that the U.S. will indeed continue with the current "joint initiative" [redacted] In that neither Weir nor Jenco would be free today without Israeli help (particularly in logistics), it would be helpful if the President would simply thank Peres for their discrete assistance.

- Thanks for assistance on Weir & Jenco
- We continue to work [illegible] with you.
- [illegible] [illegible] [illegible] in [illegible]

-- [redacted]

TOP SECRET
Declassify: OADR

UNCLASSIFIED

EXHIBIT OLN-304

[illegible] #7

From: NSOLN --CPUA Date and time 09/17/86 12:39

To: NSJMP --CPUA

*** Reply to note of 09/10/86 13:15 N 2892

NOTE FROM: OLIVER NORTH

Subject: Iran

Per your note on the surveillance package I called Casey and told him we need to get on with the parole paperwork in that you had already agreed - and had furthermore just endorsed the surveillance request. He acknowledged yr approval for the plan but said he was concerned about Shultz. He said he planned to tell Shultz in general terms that we were talking to another high level Iranian and that we would fill him in after the interview. I protested that experience showed that Shultz would then talk to and could well be the source of the Jack Anderson stuff we have seen periodically. Casey Agreed to proceed with the INS parole paperwork for and the visa for his escort but noted that he would still talk privately to Shultz about this. We are now underwaywith getting aboard a chartered jet out CIA could not produce an aircraft on such "short notice" so Dick has chartered the a/c thru one of Project Democracy's overseas companies. Why Dick can do something in Smin. that the CIA cannot do in two days is beyond me - but he does. How the hell he is ever going to pay for it is also a matter of concern, but Dick is a good soldier and never even groused about it. You may want to talk to Sec Shultz about before Casey does. I will prepare a memo for you as soon as we talk to him

[illegible] on 4 May 87

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#18 Second

EXHIBIT
OLN-304

EXHIBIT OLN-305

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NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

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N 5515

EXHIBIT
OLN-305

September 17, 1986

~~Declassified~~ Released on 29 June 1987
under provisions of E.O. 12356
By B. Reger, National Security Council

ACTION

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: OLIVER L. NORTH

SUBJECT: Support

Attached at Tab I is a memo from you to Don Regan regarding restoration of discrete transportation support. The memo is prepared so that you can pass it directly to the Chief of Staff without sending it through normal channels.

Over a year ago, with Bud McFarlane's concurrence, I arranged with Ed Hickey to have my name placed on the access list for White House transportation. To my knowledge, this fact was made known to no one outside White House Military Office and the dispatchers at the White House garage. Bud endorsed this action based on the frequent need for me to travel quickly, on short notice, often transporting highly sensitive material. I do not believe that this service was ever abused. I certainly did not consider it to be "perk." Rather, it has been a means by which I have been able to get my job done.

Last Friday evening, while Defense Minister Rabin's aide waited, I was advised by the White House dispatcher that my name had been removed from the access list for White House cars. Eventually, after calling the President's military aide, a car was made available -- and I was a half-hour late for the short notice meeting with Rabin at 2130.

Yesterday, to save both time and money, I opted to go to the CentAm Conference in Miami via military aircraft. When I arrived at the White House at 0400, I tried to get a car and could not. A taxi took nearly 40 minutes to get here and was delayed 15 minutes at the Andrews AFB gate. I almost missed the flight. Last night, on return, I had to wait 2 hours for a taxi to pick me up and bring me back to the White House. On both trips, I was, of necessity, carrying significant amounts of classified material.

I have never whined before and do not mean to do so now, but it is becoming increasingly difficult to do my job. Not only can I not get my secretary promoted, I cannot even get regular staff badges for two of the finest staff officers on the NSC.

1329

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Your memo to Don Regan at Tab I notes only the issue of the White House transportation. I would, however, appreciate the opportunity to talk with you further on these other issues. I am concerned that a very good team is about to become less productive than it should be for you and the President.

RECOMMENDATION

That you initial and forward the memo to Don Regan at Tab I.

Approve _____ Disapprove _____

Attachment
    Tab I - Poindexter Memo to Regan

Paul

1. See if you can solve transportation issue [illegible] Rick

2. Ollie should understand the NSC/Cr pass situation. Passes are not a badge of honor -- only convenience.

3. I believe our promotion policies are fair

4. Tell him to quit bitching.

UNCLASSIFIED

THE WHITE HOUSE
WASHINGTON

N 5517

MEMORANDUM FOR DONALD T. REGAN

FROM: JOHN M. POINDEXTER

SUBJECT: White House Motor Transport Support

My some time now, the White House Garage has provided discrete motor transport support for LTCOL Oliver North. As you know, LTCOL North carries out a number of sensitive projects for us which are facilitated by the use of secure transportation.

Last week, the White House Military Office removed LTCOL North from access to White House transportation. This action jeopardizes several ongoing activities and places him at increased personal risk. It would be appreciated if you would direct that LTCOL North be restored to his previous access to White House transportation.

Talking Points for JMP N 6353

An immediate reprogramming of $15M from DOD to CIA for humanitarian assistance to the DRF. These funds would reduce your subsequent request from $100M to $85M. This action would require approval in the House and Senate Intelligence Committees, the Armed Services Committees, and the Defense Appropriations Sub-Committees. We can make a good case that this humanitarian assistance ($5M per month through August 1986) is essential to maintain the option of DRF pressure in order to improve prospects for a verifiable and enforceable Contadora agreement.

A Presidential appeal for private donations by U.S. citizens. Such a step would undoubtedly result in considerable domestic criticism and perhaps a Congressional move to much such activity unlawful.

~~Declassified~~/Released on 29 June 1987
under provisions of E.O. 12356
By B. Reger, National Security Council

1331

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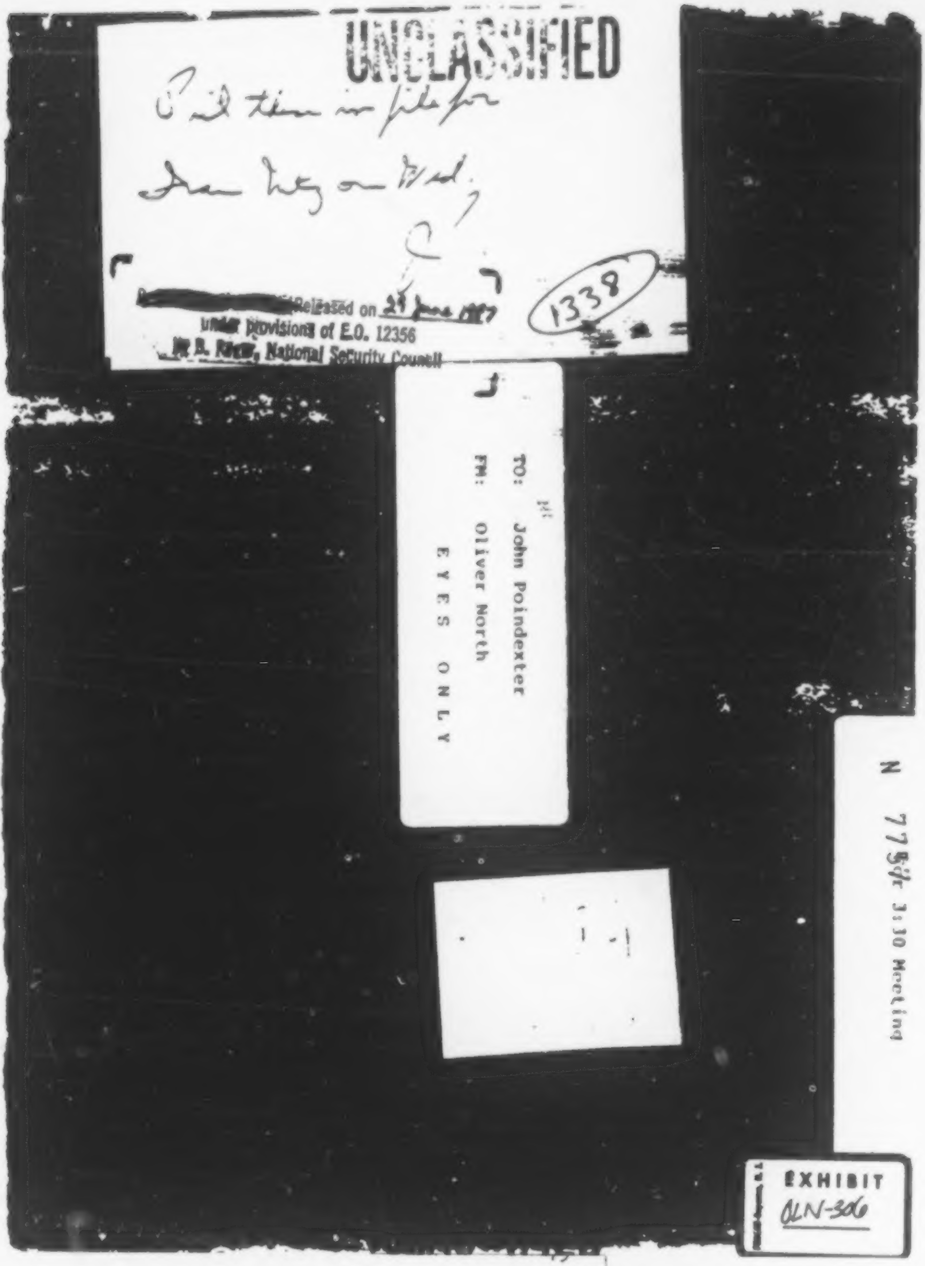
FBI
J.S.

EXHIBIT OLN-306



UNCLASSIFIED

Put these in file for Iran Mtg on Wed.

[redacted] Released on 24 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

1338

TO: John Poindexter
FM: Oliver North
EYES ONLY

N 775/r 3:30 Meeting

EXHIBIT
OLN-306

UNCLASSIFIED

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

Non-Log

~~TOP SECRET~~

September 24, 1986

ACTION

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: OLIVER L. NORTH

N 7758

SUBJECT: Iran

You are scheduled to meet with Director Casey, George Cave, and [redacted] this afternoon at 3:30 p.m. in your office regarding our recent discussions with the [redacted] [redacted] Iranian Majlis Speaker Rafsanjani. Attached at Tab I is George Cave's summary of the discussions. A full transcript, based on the tape recorded sessions, will be forwarded to you separately as soon as the transcript is completed.

During the discussions, [redacted] asked for a "discrete public sign" that he could use to support his debriefing back in Tehran. We decided that a VOA editorial, broadcast in Farsi, which mentions the Iranian Government's denial of flight clearance to the hijacked Pan Am flight, would suffice. At Tab II is a VOA editorial regarding the hijacking of Pan Am Flight #73.

We appear to be in contact with the highest levels of the Iranian Government. There is no doubt that [redacted] is far more competent and better "connected" than our other interlocutor [redacted] It is possible that the Iranian Government may well be amenable to a U.S. role in ending the Iran-Iraq war. This, in and of itself, would be a major foreign policy success for the President. We, therefore, need to determine how we will proceed from here on with the Iranians. Specifically:

-- Should we proceed with the "joint committee" proposed by [redacted] during our discussions.

-- [redacted]

-- Who, if anybody, at the State Department should be brought into this activity.

Partially Declassified/Released on 29 June 1988 under provisions of E.O. 12356 by B. Reger, National Security Council

RECOMMENDATION

That you review the attachments prior to your meeting.

1339

Approve ___ Disapprove ___

Attachments
    Tab I - George Cave's Summary of Discussions
    Tab II - VOA Editorial

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Declassify: OADR

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UNCLASSIFIED

TAB
:

N 7759

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UNCLASSIFIED

~~SECRET~~ SENSITIVE

N 7760

SUBJECT; Rundown of Visitor's comments on 19/20 Sept 86

1. [redacted] said that they had had a real problem in determining whether overtures made to them were genuine or not. [redacted] He said they also did not know what to make of the approach via Gorbanifar and [redacted] because they had fielded many such approaches from arms dealers in the past. They also were curious about the approaches from [redacted] After our May visit, and their mishandling of it, A serious debate took place in Tehran about how to proceed. [redacted] said they had to upgrade the channel and now think they have made the neccessary arrangements. [redacted] was told that the three persons in the room would be the only ones on our side until things got further along. [redacted] said that he would be in charge on their side. In an aside, [redacted] said that [redacted] was too dumb to handle the channel. [redacted] emphasized that they wanted to gradually improve relations with the United States because they fully realized they were between a rock and a hard place. The war will end soon and Iran must make the fateful decision about rebuilding the military and the country. Since the previous orientation was towards American equipment, they would like to continue in the same manner. They realize that American investment will be essential to the rebulding of their country. However, for the time being, everything must be carried out in secret. If this were to leak, the radicals would have a field day and would be able to oust the moderates and the conservatives. [redacted] said that when our delegation was in Tehran, the factions that were aware of our presence had put together a story to be released if word somehow got out about our delegation's presence in Tehran. We told him that we faced similar problems in the United States.

2. With regard to the Gorbanifar [redacted] connection [redacted] said flatly they mistrust Gorbanifar. We told him that we entertain similar views but are worried about his going public and destroying everything. [redacted] said that they think they can take care of Gorba. He was almost executed in 1981. They have a lot on him and he also has family back in Tehran. The U.S. side is doubtful. Believe this remains a problem since Gorba has told NIR that he would go public. [redacted] said that, although they are grateful to [redacted] for having the courage to get things started, they want his out of the loop because (A) he

1340

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WARNING NOTICE
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AND METHODS INVOLVED

EYES ONLY

CL BY ____________
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DERIVED FROM ____________

~~SECRET~~ ~~SECRET~~ SENSITIVE

has not produced and (B) they do not think him smart enough to handle the contact. [redacted] In addition, [redacted] said [redacted] played a role in the Reed kidnapping. He did this as a means of putting additional pressure on the U.S. to send the next shipment. [redacted] suggested that, [redacted] calls again, Sam should tell him that everything is up in the air because of the two new hostages and that nothing can be done until they are released.

3. During our discussion, [redacted] emphasized that they are also interested in relations with us on the strategic level. They are very concerned about Soviet machinations in the area as a whole and in recent months have had their eyes opened by how much effort the Soviets are putting into penetrating and manipulating the Iranian government. [redacted] The Iranians agree that we should put the past behind us, and [redacted] said they regret our fruitless trip to Tehran in May. [redacted] proposed a joint committee which would handle the channel and establish secure communications between the two governments. The opening phase will be secret but we will then bring the relationship into the open at an appropriate time.

4. Hostages: The U.S. side dealt with the hostage issue as an obstacle, not a key issue in arriving at a strategic relationship. [redacted] said that prior to coming on this trip he had talked with the "person directly responsible" twice on the telephone and once personally. He believes that this issue can be resolved and it will be one of the first things he devotes his attention to when he returns to Tehran. He said that it is now a matter of policy that the Iranian government opposes hostage taking and terrorism on humanitarian grounds. He reminded us that the Iranian government did play a positve role in the TWA highjacking case. He said that in addition to recent public statements, Khomieni has prepared a "fatwa" condemning hostage-taking as "unIslamic". We thanked him for the Iranian stance on the highjacking of the PanAm flight in Karachi. [redacted] was told that next week there would be a VOA broadcast in which Iran would be mentioned as one of the States we wished to thank for refusing to grant landing rights to the highjackers. [redacted] also told "Sam" in an aside that he

UNCLASSIFIED N 7762

had discussed the hostages with [redacted] earlier and he was certain that the matter would soon be settled. [redacted] also stated that the Pattis case would be resolved satisfactorily. The people holding the hostages are very worried about a CIA operation to rescue the hostages. [redacted] urged that we not do anything to fan their fears, as this could make his job harder. He said that he would try to give us 2 or 3 days advance notice before the hostages are released.

5. [redacted]

6. Joint Committee: There was a lot of discussion about [illegible] secret US-Iran Joint Committee. [redacted] towards the end of the meetings, stated that they had already set up [illegible] people to be on their side. We told him that ours would be three persons also, consisting of "Goode, Kopp and Sam". [redacted] said that they would pick a single courier would would carry [illegible] Tehran to where ever we designate as committee Hdqs. We suggested that secure communications be established as soon as possible and [redacted] agreed. We returned to our May suggestion of a two man commo team in Tehran. [redacted] liked this and said that he would bring it up in Tehran.

7. [redacted] provided a list of their urgent military requirements. This included tactical intelligence on Iraq which he said they needed desperately. [redacted] said that they badly need 105 and 155 mm howitzers and 175 mm base plate [illegible] rounds. He asked "Sam" to ship some of these (as much as we can assemble on short notice) as soon as possible. On the shipment that we have put together, [redacted] said to give him an account number as soon as we are ready, and he will have the money ready. He wanted to take the list back and make sure they really needed the spare parts before giving the go-ahead on the shipment. He said that their need for artillery is pressing because they need suppressing fire to make their infantry attacks more successful.

US PARTICIPANTS: George Cave as "Colonel Sam O'Neil"
Oliver North as "Colonel Goode"
Dick Seacord as "General Kopp"

IRANIAN PARTICIPANT: [redacted] of Majlis

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N 7763

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N 7764

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UNCLASSIFIED DRAFT

INTERNATIONAL COOPERATION AGAINST TERRORISM

N 7765

Next, a VOA Editorial, reflecting the views of the U.S. Government.

In the aftermath of the hijacking of PAN AM Flight 73 at Karachi airport it is time to reflect on the widespread reaction to this despicable and cowardly crime. The response of nations around the world has been a resounding rejection of this and other acts of international terrorism, like the cruel murders in the synagogue of Istanbul. Regardless of political or religious persuasion, innocent men and women from every continent are joining the call for a stop to the wanton, indiscriminate killing and destruction.

The hijackers of PAN AM Flight 73 remain in the custody of the Pakistani government awaiting trial for murder. The government of Pakistan is to be congratulated for its handling of the difficult and often confusing situation it faced on September 4. The United States government remains prepared to assist in any way that leads to the successful prosecution of those responsible for the unnecessary killing of twenty men, women, and children from India, Pakistan, Mexico, Britain, and the United States.

This hijacking further demonstrates the resolve of

1341

[illegible] DRAFT [redacted] ed on 29 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

UNCLASSIFIED DRAFT

N 7766

nations to work together to prevent and discourage these attacks on international civil aviation. Not only did Pakistan help in preventing the airplane from departing Karachi -- which properly kept the hijackers on the ground and avoiding a potential in-flight disaster -- other nations refused to allow the airplane to land in their countries were it to have left Pakistan. Nations throughout the region joined together to reject the hijackers from entering their airspace. Countries like Cyprus, Egypt, Kuwait, Jordan, Saudi Arabia, Iran and Italy deserve the recognition from peace-loving people everywhere for their courageous stand against these perpetrators of death and destruction.

President Reagan prays for the families of those killed and injured in this tragedy. He remains committed to work with all nations to stop international terrorism from tearing at the fabric of our civilization and to seek justice against those who would commit violent acts against innocent victims for political reasons. As all of our law-abiding citizens have long understood and governments must continue to learn -- just people with just causes do not resort to terrorism.

That was a VOA Editorial, reflecting the views of the U.S. Goverment.

DRAFT

UNCLASSIFIED

EXHIBIT OLN-307

MSG FROM: NSJMP --CPUA TO: NSOLN --CPUA [redacted]
To: NSCLB --CPUA

*** Reply to note of 09/25/86 11:23 -- [illegible] --

NOTE FROM: JOHN POINDEXTER
Subject: Public Affairs Campaign on Central America
I agreed. Why didn't Lew Tambs know that this was coming? [redacted]
[redacted]

[Public Affairs Campaign on Central America 09/25/86 11:23:45
MSG FROM: NSOLN --CPUA TO: NSJMP --CPUA
To: NSJMP --CPUA

*** Reply to note of 09/13/86 12:01
NOTE FROM: OLIVER NORTH
Subject: Public Affairs Campaign on Central America
Elliott Abrams has just called from New York, followed by an urgent call from [redacted] Last night Costa Rican Interior Minister Garron held a press conference in San Jose and announced that Costa Rican authorities had discovered a secret airstrip in Costa Rica that was over a mile long and which had been built and used by a Co. called Udall Services for supporting the Contras. In the press conference the minister named one of Dick's agents (Olmstead) as the man who set up the field as a "training base for U.S. military advisors." Damage assessment: Udall Resources, Inc., S.A. is a proprietary of Project Democracy. It will cease to exist by noon today. There are no USG fingerprints on any of the operation and Olmstead is not the name of the agent - Olmstead does not exist.

We have moved all Udall resources ($40K) to another account in Panama, where Udall maintained an answering service and cover office. The office is now gone as are all files and paperwork. The bottomline is that [redacted]

[redacted] [redacted] Elliott has said that he and the Secretary [redacted]

→ 34

EXHIBIT
OLN-307

N 12611

4(b)(7)

JMP 39/148 25:26

[redacted]

N 12612

#35

Scb 4763
#R [illegible]

FILE: SCP06 [redacted] AO WHITE HOUSE COMMUNICATIONS AGENCY

[redacted]

[redacted]

Public Affairs Campaign on Central America
MSG FROM: NSJMP --CPUA TO: NSWRP --CPUA 09/25/86 18:57:13
To: NSWRP --CPUA

4 May 87

*** Reply to note of 09/25/86 13:25 -- [redacted] --

NOTE FROM: JOHN POINDEXTER
Subject: Conventional Arms Control Options - package 90662

JMI 54 149

[redacted]

EXHIBIT OLN-308

[redacted]

U.S. PROPOSAL

IRAN PROVIDES FUNDS FOR 500 TOWS
AND REMAINDER OF HAWK PARTS

WITHIN 9 DAYS WE DELIVER PARTS + TOWS (500)
PLUS MEDICAL SUPPLIES

ALL AMERICAN HOSTAGES RELEASED

IRAN PROVIDES FUNDS FOR 1500 TOWS

WITHIN 9 DAYS WE WILL DELIVER
- 1500 TOWS
- TECHNICAL SUPPORT FOR HAWKS
- UPDATED INTELLIGENCE ON IRAQ
- COMMUNICATIONS TEAM

IRAN WILL THEN
- RELEASE PATTIS
  RETURN BODY OF BUCKLEY
- PROVIDE COPY OF BUCKLEY DEBRIEF

U.S. WILL THEN
- IDENTIFY SOURCES FOR OTHER ITEMS ON LIST

EXHIBIT
OLN-308

- IRAN WILL THEN WORK TO RELEASE OTHER HOSTAGES.

EXHIBIT OLN-309

[illegible]

B[redacted] Exh 40

AS.

- LIST WILL BE SEEN BY US AS DISENGENUOUS, IE, DISHONEST
- US INTERESTS ARE ONLY STRATEGIC
- HOSTAGES ARE OF NO VALUE TO IRAN
- US ALREADY PRESSING KUWAIT; WILL NOT TIE THIS TO US HOSTAGES
- AS I SAID IN BRUSSELS, US WILL FIGHT RUSSIANS IN IRAN IN CASE OF INVASION WITH OR WITHOUT GOV'T OF IRAN ASSISTANCE.
- WE WILL COOPERATE TO DEPOSE S. HUSSEIN.

EXHIBIT
OLN-309

we understand S. Hussein [illegible] go

- believe we can help (after obstacles go) with diplomacy in Arab countries, Egypt, Saudis. "SAUDI" DO NOT LIKE HIM EITHER
- continued military pressure O/C

U.S. PROPOSAL

IRAN PROVIDES FUNDS FOR 500 TOWS
AND REMAINDER OF HAWK PARTS

WITHIN 9 DAYS WE DELIVER PARTS + TOWS (500)
PLUS MEDICAL SUPPLIES

ALL AMERICAN HOSTAGES RELEASED

IRAN PROVIDES FUNDS FOR 1500 TOWS

WITHIN 9 DAYS WE WILL DELIVER
- 1500 TOWS
- TECHNICAL SUPPORT FOR HAWKS
- UPDATED INTELLIGENCE ON IRAQ
- COMMUNICATIONS TEAM

IRAN WILL THEN
- RELEASE PATTIS
  RETURN BODY OF BUCKLEY
- PROVIDE COPY OF BUCKLEY DEBRIEF

U.S. WILL THEN
- IDENTIFY SOURCES FOR OTHER ITEMS ON LIST

EXHIBIT OLN-310

THE LIBRARY OF CONGRESS
WASHINGTON, DC 20540

TRANSLATION OF LETTERS

Congressional Member or Committee: Senate Select Comm on Secret Military Assistance to Iran and the Nicaraguan Opposition

Language: Persian

Material Submitted: article

Date of Material: June 5, 1987

Name and Address of Sender:

Suggested Salutation:

Translated by: Ibrahim V. Pourhadi (Name) African and Middle Eastern (Division) Area Studies Research Services (Department) 6.A

Date: June 8, 1987

☒ Complete ☐ Abstract—Please call the Congressional Research Service (287-5700), if a complete translation is desired.

Mehr 16, 1365 (October 8, 1986)
Time of Discussion early afternoon to late at night.
Formation of us and Hakim

1. Iran pays for 500 TOWS to HAKIM and if willing, Iran will provide the funds for the HAWK spare parts which remain from the earlier agreement.

2. In 9 working days, the 500 TOWS and the HAWK spare parts (pending Iran's approval), and free (gifted) medicines will be delivered to Iran.

3. Before item 4 as stated below is carried out, Albert will present the plan for the release of the 17 Kuwaitis imprisoned in Kuwait.

4. One and one-half (1 definitely and the 2 with empathic effort) American hostages in Lebanon, through the effort of Iran, will be freed from the hands of the Lebanese. (3-4 days after the delivery of point 2 items).

Translator's Comments:

EXHIBIT
OLN-310

LW 2/78 (rev 8/85)

*5. Establishing letter of credit method, will be studied by Albert and [redacted] Ali by tomorrow night.

00 TOWS and maximum of 100 launchers), within 4 days after the execution of items mentioned above, will be delivered to IRAN. IRAN will pay the money for 1500 TOWS (the 500 TOWS mentioned above and also additional 1000 TOWS and these 1000 TOWS will be delivered to IRAN within nine days.

6. America will support IRAN with technical assistance, material and specialized know-how, reorganize the military intelligence, maps and communication links. Also prepare the Cart related to the items provided by Ali [redacted] indicating price and delivery to IRAN.

7. Before returning to Tehran, the case of the Muslim prisoners (Shi'ite) in Lebanon and the manner of their release should be studied with Secord and parties involved.**

8. IRAN will pursue its efforts for establishing the grounds for the release of the rest of the hostages.

9. The steps for delivery of items referred to in the second part of item 6 mentioned above will start.

*The Letter of Credit will be opened in favor of Mr. Husaini and will make the money for the 500 TOWS available by utilizing 60 percent of the Letter of Credit.

**After discussion between Mr. Secord and Mr. Samii, it was agreed regarding to slim prisoners that letter be written "Israel and its Lahd organization" Text ll be written in the following manner . . .

Translation by Albert Hakim of

the Farse Original of the "9 Points"

Note: The date is the 16th day of the 7th month of the Iranian year which I believe corresponds to 8 October 1986, but needs to be checked. It also indicates the discussions started in the afternoon and lasted until late at night.

Summation of Us and Hakim

1. Iran provides funds to Mr. Hakim for 500 TOWs and, if willing, Iranians will provide for the Hawk spare parts which remain from the previous agreement.

2. Nine working days from now the 500 TOWs and the Hawk spare parts (if accepted by Iran) and the gifted medicines will be delivered to Iran.

3. Before executing Item 4 below, Albert will provide the plan for the release of the Kuwaitis (17 persons).

4. 1 1/2 (1 definitely and the 2nd with all effective possible effort) American hostages in Lebanon, through the effort of Iran, will be released by the Lebanese.

*5. Using the Letter of Credit method, (three to four days after delivery of shipment stipulated in Item 2) additional 500 TOWs (together with a maximum of 100 launchers), within four days after the execution of Item 4 above, will be delivered to Iran. The method of Letter of Credit will be reviewed between Albert and Oliver (Ali) by tomorrow night. Iran will pay the funds for 1500 TOWs (the 500 TOWs mentioned above plus an additional 1000 TOWs) and the 1000 TOWs will be delivered to Iran within nine days.

6. The United States will start with the technical support of the Hawks (material and know-how), update of the military intelligence and maps, establishment and commissioning of the special communication link,

and will prepare the chart related to the items (provided by Mr. __________) indicating price and delivery to Iran.

moved. #7

#. Israel and its cover organization, La Had, and the text written in the Seven Step Document of Mr. North (illegible)

**7. Before the return of Mr. NO NAME to Tehran, the subject of the Moslem prisoners (Shia) in Lebanon and the manner of their release by the involved parties will be reviewed by Mr. Secord.

8. Iran will continue its effort for creating the grounds for the release of the rest of the hostages.

9. The steps for delivery of items referred to in the second part of Item 6 above will start.

* The Letter of Credit will be opened in favor of Mr. HOSEIN and he will make the money for the 500 TOWs available by using 80% of the Letter of Credit.

** After discussion between ~~Mr.~~ Messers. Secord and Mr. Sa-mii (Prominent Banker in Iran) it was agreed regarding regarding the Moslem prisoners that the sentence (text) will be written in the following manner:

Israel and its . . . . .

former Chief Central Bank now in London

Shakastah = broken

So ordinary person would have trouble to read —

Bazaari people —

EXHIBIT OLN-311

UNCLASSIFIED

NATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20506

Non-Log

N 9099

October 2, 1986

~~TOP SECRET~~

SENSITIVE

ACTION

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: OLIVER L. NORTH

SUBJECT: Next Steps with Iran

[redacted] called Dick this morning to advise that he had just returned from Beirut and would very much like to meet with us in Frankfurt, Germany, on Monday, October 6. He indicates that he has "good news" regarding the hostages and that he wishes to get past the "obstacle" as quickly as possible. An appropriate travel approval is attached at Tab I.

George Cave is taking a well-deserved "mini-vacation" in Rome. We are telling all callers that he is in the hospital for tests on his back. In accord with [redacted] request, the U.S. side would be represented by: Sam O'Neil, Copp, and Goode.

This meeting also affords us the opportunity to deal with the issue of Israeli cooperation. Nir has been calling daily (often several times) urging that we get on with the process in our "joint venture." He constantly cites his September 10 meeting with you as the basis for proceeding urgently. Because we have not told him about our intention to pursue the [redacted] first, he continues to encourage Ghorbanifar to raise the requisite funds for another delivery. Ghorbanifar, in turn, has a frequent dialogue with [redacted] in this regard. All of this tends to create confusion among the various participants and an unnecessary OPSEC vulnerability. We need to act now to reduce the number of channels into the Iranians (at least on a temporary basis) and clarify various roles and missions. [redacted]

I did it [illegible] 2x-3

We (Cave, Clarridge, [redacted], and Copp) believe that we should move promptly on both fronts as follows:

-- [redacted], O'Neil, Copp, and Goode meet with [redacted] in Frankfurt on Monday, October 6. [redacted] has indicated that he has an internal consensus on how to proceed with regard to the hostages "obstacle." He has said that he will bring with him to this meeting "one of the officials we met with in

~~TOP SECRET~~
~~Declassify:~~ OADR

UNCLASSIFIED

845

SENSITIVE

N CHRON 12/15

Declassified/R[redacted] 12 May 1987
under provi[redacted] 12356
by B. Reger, [redacted] Coun

EXHIBIT
OLN-311

Tehran" and has asked that we bring with us a definitive sample of the intelligence we had discussed when he was here. Based on this, we believe that [redacted] may well accompany [redacted] You will recall that [redacted] request for intelligence was very specific (the details were forwarded to you via PROFs). While the sensitivity of providing this information is well-recognized, it must also be noted that intelligence was given a higher priority by [redacted] than any other assistance we could provide. In the Casey-[redacted]-Cave-North meeting we had with you after [redacted] departed, we all agreed that it was unlikely that providing such information would change the course of the war. Further, we all recognized that the information need not be accurate and that it was highly perishable given the dynamic nature of the conflict. In short, we believe that a mix of factual and bogus information can be provided at this meeting which will satisfy their concerns about "good faith" and that we can use the "perishible argument as an incentive for the Iranians to accept a CIA communications team in Tehran. As before, we would not leave any documents with the Iranians, but will provide an exposition during which they could take detailed notes. Director Casey needs to be told to prepare the intelligence for handcarry to the meeting.

[redacted] has said he is bringing a Koran for the President. As a reciprocal gesture, we have purchased a Bible which we would present to [redacted] for him to take back to Tehran with him. Given our earlier discussions (see transcript), it would be very helpful if the President would inscribe a brief note citing a particular biblical passage (Tab III) in the front of the Bible. This particular excerpt is important in that it is a new testament reference to Abraham, who is viewed by Moslems, Jews, and Christians as the progenitor of all the world's nations. It would be most effective if the President hand wrote the inscription and initialed/signed it without addressing the note to any particular person.

-- Nir: When Amiram was here, we made a conscious decision not to apprise him of our near-term efforts with Rafsanjani's [redacted]. We did inform him earlier of the contact and he continues to inquire regarding the status of this initiative. Meanwhile, lacking guidance to the contrary, Nir has sought to stimulate further activity between Ghorbanifar and [redacted]. This has resulted in [redacted] calling directly to George's home and office several times daily and considerable confusion regarding why we have not accepted the [redacted] Ghorbanifar "offer" to purchase the remaining HAWK spare parts and 500 TOWs.

From an operational perspective, the current communications arrangements are a command and control/OPSEC nightmare (Tab II). Nir essentially controls our access to both [redacted] and Ghorbanifar and, thus, we often find ourselves reacting to his well intentioned efforts. We believe that we now have an opportunity to change the relationship in such a way that Nir is placed in a supporting role rather than acting as a primary source of control. We also recognize that Israel's participation in this activity is both politically and operationally important. In altering Nir's status, we need to do so in such a way that he and those officials in his government who are cognizant continue to perceive that this is still a "joint venture."

In order to accomplish the objectives outlined above, we propose that on Saturday, October 4, Copp would fly to Tel Aviv and meet with Nir. At the meeting, Copp would use the talking points at Tab IV. In an effort to ameliorate Nir's angst over his "new status," we urge that the letter at Tab V to Prime Minister Peres be signed by the President. If you agree, we need your approval of the talking points at Tab IV and a Presidential signature (real or autopen) on Tab V by 3:00 p.m. Friday, October 3.

The steps above are designed to give us a chance to make the new relationship through the [redacted] function without destroying the Ghorbanifar [redacted] channel. We would, in effect, put Ghorbanifar [redacted] on "hold" until we see what [redacted] produces. Please note that when Copp briefs Nir in Tel Aviv on Saturday, he will not reveal that he is enroute to Frankfurt to meet [redacted]. Given [redacted] strong antipathy toward the Israelis and our uncertainity as to whether or not he knows that Nir (aka Miller) is Israeli, we would tell Nir on Sunday night that we were going to a hastily arranged meeting with [redacted] which he (Nir) will be unable to make due to lack of connecting flights to Frankfurt.

[redacted] has already told us, that shortly after the October 6 meeting, there will be a follow-on meeting of the "joint committee" in which [redacted] will be a participant. Unless we are convinced that the Iranians would recognize Nir as an Israeli, we would intend to invite Nir to this follow-on meeting.

A memo from you to the President has not been prepared for obvious reasons. It is hoped that between now and 3:00 p.m. Friday you will have an opportunity to privately discuss this with the President and obtain his approvals/signatures on the steps indicated above.

UNCLASSIFIED N 9102

~~TOP SECRET~~ 4 SENSITIVE

RECOMMENDATIONS

1. That you initial the travel authorization sheet at Tab I.

Approve J____ Disapprove ____

2. That you tell Director Casey to prepare an appropriate intelligence package by Saturday, October 4, for the meeting with [redacted] on Monday (departure Sunday evening).

Approve ____ Disapprove ____

3. That you have the President inscribe the attached Bible with the passage at Tab III (a card is paperclipped at the appropriate place in the Bible).

Approve J____ Disapprove ____

4. That you approve the talking points at Tab IV for use by Copp with Nir on Saturday, October 4.

Approve J____ see ? Disapprove ____

5. That you obtain a Presidential signature on the letter to Prime Minister Peres at Tab V.

Approve J____ Disapprove ____

Attachments
Tab I - Travel Authorization Sheet
Tab II - Diagram
Tab III - Bible (for Presidential inscription)
Tab IV - Copp Talking Points
Tab V - Presidential ltr to PM Peres

UNCLASSIFIED

UNCLASSIFIED

DATE: October 2, 1986

1. TRAVELER'S NAME: Mr. William P. Goode

2. PURPOSE(S), EVENT(S), DATE(S): Official travel to Frankfurt, GE, on Monday, October 6, to meet with our contacts regarding the current situation in the Middle East.

3. ITINERARY (Please Attach Copy of Proposed Itinerary):

10/5	Depart	8:00 p.m.	Dulles Airport	PanAm #60
10/6	Arrive	9:20 a.m.	Frankfurt, GE	
10/7	Depart	12:45 p.m.	Frankfurt, GE	PanAm #61
10/7	Arrive	4:40 p.m.	Dulles Airport	

DEPARTURE DATE Sun, Oct 5 RETURN DATE Tues, Oct 7

TIME 8:00 p.m. TIME 4:40 p.m.

4. MODE OF TRANSPORTATION:

GOV AIR ___ COMMERCIAL AIR XX POV ___ RAIL ___ OTHER ___

5. ESTIMATED EXPENSES:

TRANSPORTATION $1872.00 PER DIEM XX OTHER ___ TOTAL TRIP COST ___

6. WHO PAYS EXPENSES: NSC XX OTHER ___

7. IF NOT NSC, DESCRIBE SOURCE AND ARRANGEMENTS: N/A

8. WILL FAMILY MEMBER ACCOMPANY YOU: YES ___ NO XX

9. IF SO, WHO PAYS FOR FAMILY MEMBER (If Travel Not Paid by Traveler, Describe Source and Arrangements): N/A

. TRAVEL ADVANCE REQUESTED: $ 0.00

11. REMARKS (Use This Space to Indicate Any Additional Items You Would Like to Appear on Your Travel Orders):

12. TRAVELER'S SIGNATURE:

13. APPROVALS:

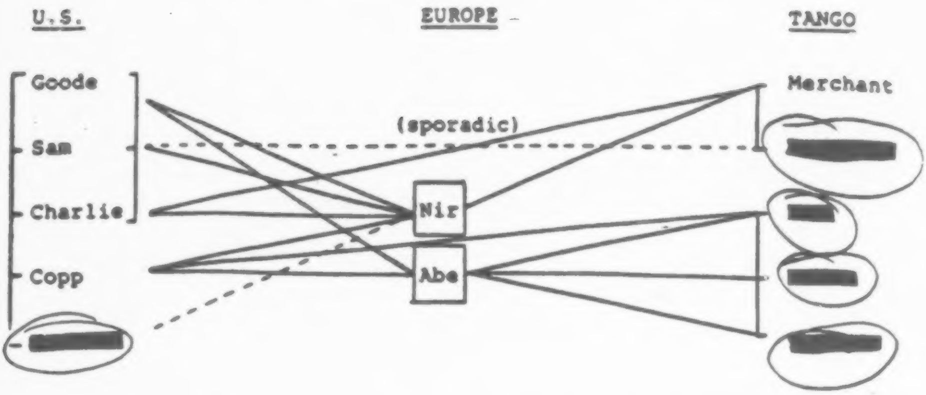
UNCLASSIFIED

~~TOP SECRET~~ UNCLASSIFIED

September 30, 1986

N 9104

COMMUNICATIONS NETS


U.S.
EUROPE
TANGO
Goode
Sam
Charlie
Copp
[redacted]
(sporadic)
Nir
Abe
Merchant
[redacted]
[redacted]
[redacted]
[redacted]

From an OPSEC perspective, there are too many channels into (and out from) the U.S. We can't hope to have this many players speak with one voice -- no matter how "good" they are individually.

Recommendation: Pare the U.S. communicators down to no more than two individuals (who either compare notes directly each day, or report to a common supervisor); e.g., Sam and Copp, who both report daily to North. Cut Charlie, [redacted], and anybody else out. Have them stop communications cold turkey (to support cover story of A-[redacted] channel being blown, rolled up, and finished).

~~TOP SECRET~~
Declassify: OADR

UNCLASSIFIED

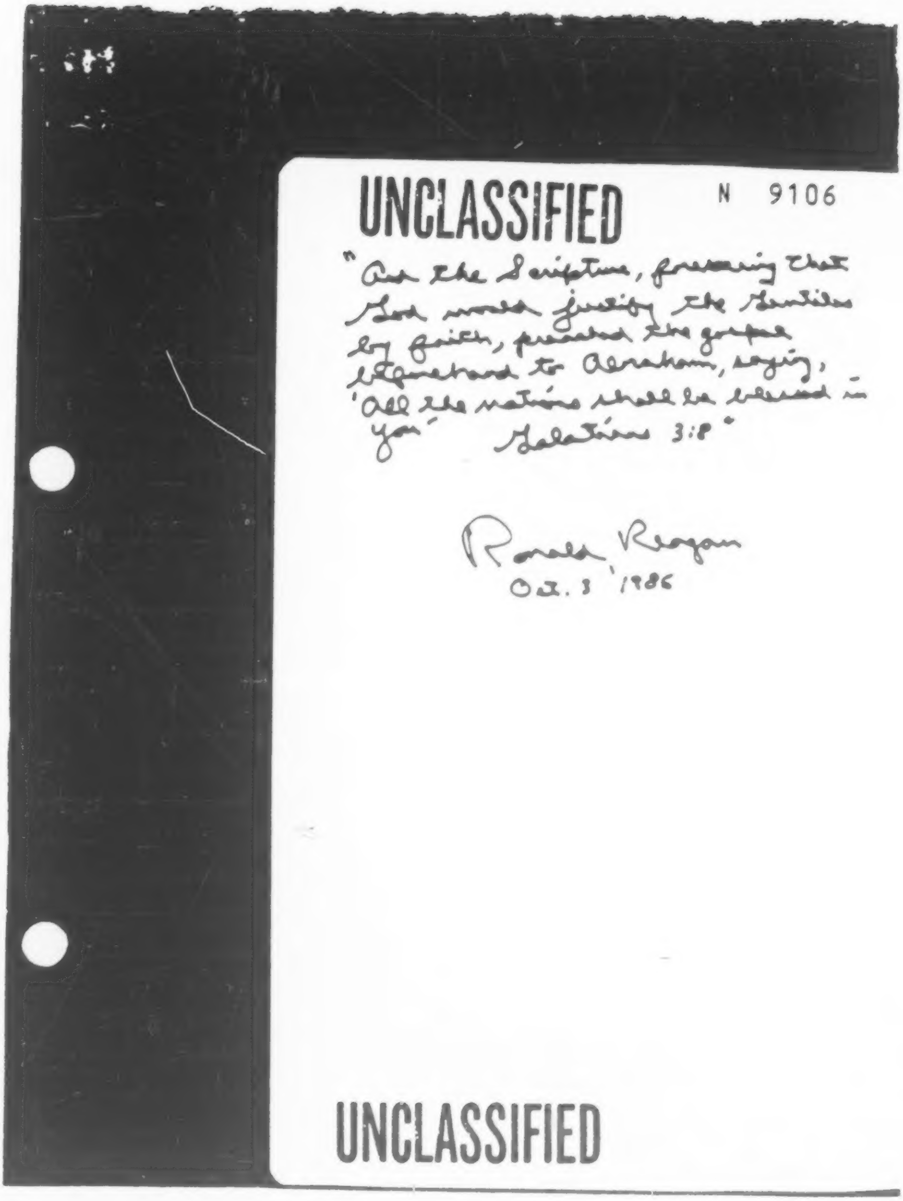
UNCLASSIFIED N 9105

INSCRIPTION BY PRESIDENT:

"And the Scripture, foreseeing that
God would justify the Gentiles by
faith, preached the gospel beforehand
to Abraham, saying, 'All the nations
shall be blessed in you'.

- Galatians 3:8"

UNCLASSIFIED



UNCLASSIFIED N 9106

"And the Scripture, foreseeing that
God would justify the Gentiles
by faith, preached the gospel
beforehand to Abraham, saying,
'All the nations shall be blessed in
you' Galatians 3:8"

Ronald Reagan
Oct. 3 1986

UNCLASSIFIED

~~TOP SECRET~~ UNCLASSIFIED SENSITIVE

INSTRUCTIONS TO COPP FOR MEETING WITH NIR

Saturday, October 4, 1986
Tel Aviv, Israel

N 9107

You will have with you a letter from President Reagan to Prime Minister Peres thanking Mr. Nir for his courageous assistance to our mutual cause. You should initiate this discussion by presenting him with a copy of the letter and asking for his advice on delivering the original.

The objective of this discussion is to improve our control of events in this joint effort to establish a strategic relationship with Iran. The talking points below are intended to establish the parameters of your discussion and are designed to elicit further cooperation:

-- ADM Poindexter has directed that I see you regarding our current Ghorbanifar [redacted] channel and discuss with you ways in which we can move together to accomplish our mutual objective -- a strategic relationship with Iran.

-- [redacted]

-- We believe that the first new hostage (Reed) was probably taken by elements other than Hizballah -- although they may have him in their hands now.

-- We think that [redacted] may have believed that he could bring additional pressure to bear on us to commence further deliveries by seizing another hostage (or hostages).

-- Quite the contrary is true. The President is adamant that we will not move forward on this channel until we resolve the new hostage issue.

-- We are also concerned that the two new hostages (or at least Cicippio) represents a clear violation of the "understanding" we have had with the Iranians on anti-U.S. terrorism since June of last year.

-- We do not want to engage in a process that results in new hostages just to bring "pressure to bear." Nor will we continue this process if, when the current hostages are released, more are taken, simply to elicit further deliveries of arms.

~~TOP SECRET~~
Declassify: OADR UNCLASSIFIED SENSITIVE

N 9108

-- Aside from this very strong policy objection to continuing, we have, as you know, had repetitive financial and communications difficulties with Ghorbanifar. While we could debate as to whether or not Ghorbanifar had received all that was due him by the Iranians, the most important factor is potential OPSEC risk.

-- In an effort to "keep things moving," Ghorbanifar has made commitments in our name which are patently beyond our ability to meet. This has resulted in increased expectations on the part of the Iranians.

-- We know [redacted] that neither [redacted] nor other Iranian officials in Tehran trust Ghorbanifar. [redacted]

-- Finally, both of us know that [redacted] himself, is not intellectually astute enough to realize the importance of our contact nor the sincerity of our desire to establish an official government-to-government relationship.

-- In short, this channel is not serving our mutual objective: the reopening of a strategic relationship with Iran.

-- The President has directed that we will not proceed with any further receipt of funds from Ghorbanifar nor deliveries to [redacted] until we resolve these issues.

-- Several months ago, I apprised you of a contact with the [redacted] of Rafsanjani. The USG decided to pursue this contact to determine its validity.

-- We are confident that [redacted] the man I met with in Brussels, is indeed Rafsanjani [redacted] and that he has been franchised to act as a liaison between the U.S. and Iranian governments.

-- When Prime Minister Peres was in Washington last month, the President assured him that we are going to continue this effort as a joint project.

-- I have been instructed to seek out a second meeting with [redacted] as soon as it can be set up and that I will act as the U.S. intermediary until we establish direct contact with government officials from our side.

-- Once we have established direct USG contact with the [redacted] we intend to introduce you into this process under the same conditions as obtained when you went to Tehran with us.

-- Based on my one initial meeting with [redacted] and the intelligence we have been able to collect, we believe that this contact may well prove to be the one that both your government and mine have been seeking.

(Remember Nir has been told that you "came upon" [redacted] as a consequence of looking into the possible diversion of TOWs through [redacted] during an investigation undertaken in late July/early August.)

-- While we explore the sincerity of [redacted] and confirm his ability to speak for the Iranian government, we want to keep the Ghorbanifar/[redacted] channel on "hold."

-- To that end, we have told Sam -- who is in the hospital -- he is to contact [redacted] and tell him that:

  - there must be a meeting with [redacted] before we proceed any further;
  - the issue of the two new hostages has become a strong, negative factor in proceeding at all;
  - this matter (the two new hostages) must be resolved before we will take any further steps for any further deliveries;
  - the problem is not the merchant and his financing, but rather the two new hostages;
  - contrary to what he [redacted] may expect, there will be no further deliveries until we have met and resolved this matter;
  - we have asked [redacted] to meet with us in Frankfurt on October 9 -- we do not yet have an answer.

-- I intend to meet with [redacted], somewhere in Europe or Turkey, hopefully this week. I will then report back to Washington on my findings and a follow-on meeting will be set-up -- in which we will attempt to have you included.

-- I want to caution you, however, that in my meeting in Brussels [redacted] indicated that he and others in Tehran are aware that you are an Israeli -- and knew it when you went to Tehran.

UNCLASSIFIED

N 9110

-- Neither of us want this contact, if it is indeed what I think it to be, to founder because of this.

-- I have been instructed to find a way to have you in the meeting in which Goode and Sam will serve as the USG representatives.

-- If my meeting with [redacted] this week goes well, I would expect that all of us could meet with him next week.

-- In the interim, if [redacted] does indeed agree to meet with us under the conditions we have established, we should proceed with that meeting.

Approved ____________

Document

N 9111

Deleted in

its Entirety

EXHIBIT OLN-312

UNCLASSIFIED

EXHIBIT OLN-312

18741

c: NSPRA --CPUA   NSPUN - UA
    Donned Plane
SG FROM: NSOLN --CPUA   TO: NSJMP --CPUA   10/10/86 21:55:31
o: NSJMP --CPUA

** Reply to note of 10/02/86 20:49
OTE FROM: OLIVER NORTH
ubject: Iran
pp has just returned from Frankfurt. According to both he and Sam, my
nkey act with [redacted] had quite an effect.   told Dick
at if he returned home without the hope of further help that he "would be
nt back to the front." [redacted] gave Dick a proposal closer to the line in my
iginal seven points and asked Dick if there was any way that he could get us
meet before the 3 Nov. meeting I had suggested. Dick told him that he wd
s the points on but cd not guarantee anything. Points as follows:

They pay $3.6M next week.

We deliver 500 TOWs (no Hawk parts) 9 daysafter payment.

Two hostages (if possible, but no less than one) released w/in 4 days of TOW delivery. If only one hostage released, whole process stops and we meet again.

Repeat funding and delivery cycle as in steps 1 & 2 above.

We send Tech support for HAWKs, update on intel and secure comm team to Tehran and provide location/availability of artillery items noted on the original list provided by   in Washington mtg.

Iran does utmost to secure release of remaining hostage(s).

told both Sam and Copp that the group holding Reed and Cicippio is not, peat not, responsive to Iran. Further, that only ______ are mediately available."   begged Dick to let them find out exactly ere   is and "you can rescue him and not ruin us (Iran) with the zballah."

th Sam and Copp believe that we should let them stew in Tehran for a few more ys and then accept the proposal indicated above. [redacted] both said at Pattis was not now available, but that they were sure they could work it t once things were moving. Only changes from my proposal is sequential

UNCLASSIFIED

Partially [illegible] (5 May 1987)

249

JMP 3/2 '8

UNCLASSIFIED

N18742

FILE: 30706 [redacted] 10 OR. HOUSE COMMUNICATIONS AGENCY

nature of their plan and lack of mention of Buckley body & transcript of interrogation. We do not believe that they can be sure of getting all three - all available info indicates   is held elsewhere. Dick and Sam believe that we will, however, get two back for nothing more than the two sets of 500 TOWs. They point out that the tenor of what the Iranians want to plan for approaching the Kuwaitis, the location/availability of the artillery, and the intel all can be engaged w/o any great complications.   Cave and Casey all seem to be convinced that this is best/fastest way to get the two out - probably w/in next 30 days.   Also notes that the situation in Leb is getting much worse and that we may be getting close to the end of the line for any further movement. Finally, all here now believe that these guys do not have Reed/Cicippio, who are probably in hands of Libyan controlled group which earlier bought/killed Kilburn.   and Sam believe that these guys may be the only way we can ever get our hands on Reed/Cicippio since their access and info in the Lebanon are so much better than ours.

BOTTOM LINE: Recommend that we wait for their call on Tuesday, if their position is same as above or better, we shd push them to include Buckley remains and transcript and then get on with it. Pls advise.

Icon

MSG FROM: NSJMP --CPUA TO: NSJPR --CPUA 10/15/86 12:59:50

To: NSJPR --CPUA JACK MATLOCK.

JMP 3/

(250)

[illegible] 6 May 1987.

[redacted]

EXHIBIT OLN-313

UNCLASSIFIED

86-4468A
01

THE DIRECTOR OF
CENTRAL INTELLIGENCE

National Intelligence Council

14 October 1986

DCI

Attached is a memorandum on problems that I see with our initiative towards Iran. Also included are a number of recommendations that I believe should be implemented to prevent this initiative from floundering. I have not consulted with other individuals involved on the US side, nor have I discussed it with Ollie. If you require further background, please let me know.

Charles E. Allen
NIO/CT

I 0187

Partially Declassified/Released on 8 July 87
[illegible]
[illegible]

THE DIRECTOR OF
CENTRAL INTELLIGENCE

National Intelligence Council

14 October 1986

DDCI

Attached is a memorandum on problems that I see with our initiative towards Iran. Also included are a number of recommendations that I believe should be implemented to prevent this initiative from floundering. I have not consulted with other individuals involved on the US side, nor have I discussed it with Ollie. If you require further background, please let me know.

Charles E. Allen
NIO/CT

UNCLASSIFIED

EXHIBIT
OLN-313

1926

Objectives of the Program:

- In the short term to resolve the American hostage problem in Lebanon, through the offices of Iran, to include

  return of all presently held American hostages, and

  cessation of hostage-taking;

  and to accomplish this without jeopardizing our public policy of non-negotiation with terrorists and hostage-takers.

- In the longer term to establish contacts within the Iranian Government that might test the possibility of:

  bringing about a change in the regime in Iran (or its attitudes), thereby

  establishing gradually a rapprochment between the United States and Iran.

- Ultimate, Strategic Objectives remain an alliance which provides:

  containment of the Soviet Union on a crucial flank and preventing their move toward the middle east;

  [redacted] counterweight to Arab themes in the Middle East;

  [redacted]

Problems with the Program:

For over a year the US Government -- using private and Israeli intermediaries -- has tried to resolve the hostage crisis by treating with Iranian officials; the long-term goal of eventually restoring a strategic relationship has remained in the background. The principal intermediary has been Ghorbanifar, and the principal official has been [redacted] In return for the shipment of American arms to Iran, the release of two American hostages was achieved.

UNCLASSIFIED

I 0189

Because the Ghorbanifar [redacted] channel, was viewed as slow and unreliable, the White House -- encouraged by Secord and Hakim -- has turned to a new channel. The new channel (C) involves an individual purporting [redacted] direct contact to Rafsanjani, Speaker of the Majlis and second most powerful man in Iran.

- The [redacted] is accepted as genuine -- although his influence with [redacted] Rafsanjani and his delegated authority are less clear. [redacted]

There have been two covert meetings with [redacted], one here and one in Europe. Another meeting is scheduled for the first week in November.

- While the tone of the meetings has been generally positive, the bargaining has been tough and the negotiations difficult; closure remains elusive.

B

A problem that now confronts us is the disposition of the first channel, from Ghorbanifar to [redacted]. This first channel has never been shut down in a way that would limit the damage to the overall initiative. Specifically, Ghorbanifar claims he was never compensated for some of the arms shipped to Iran, arms for which he arranged the financing.

- Ghorbanifar and his creditors, including Adnan Khashoggi, appear determined to recoup their "losses", even at the risk of exposing US covert arms shipments in exchange for release of our hostages.

C

We have a festering sore for which no treatment has been prescribed. [redacted] has demanded that the Ghorbanifar-[redacted] channel be shut down. Indeed, [redacted] C claims already to have coopted [redacted]

B

- [redacted] C stated that he, and ostensibly Rafsanjani, had approved of the way [redacted] had proceeded → B heretofore. Notwithstanding, [redacted] has spoken of "eliminating" [redacted] sometime in the future. C

Ghorbanifar appears to be harassed by his creditors, some of whom already have brought the problem to the attention of the DCI and Senators Leahy, Cranston, and Moynihan.

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- **Ghorbanifar claims to have secreted, for "insurance purposes", documentation of events which have transpired so far.** | 0190

Given this, the major elements of this initiative are likely to be exposed soon unless remedial action is taken. There is no indication that the White House has a plan to prevent the exposure or a plan to deal with the potential exposure.

The Ghorbanifar [redacted] channel must be shut down in a way that contains potential damage to the United States.

Background:

When the initiative began, National Security Advisor MacFarlane wanted to establish a channel to factions within the Iranian Government with which the United States might eventually deal, and which might secure incidentally the release of the American hostages in Lebanon.

Israeli officials like David Kimke put the White House in contact with Ghorbanifar. Working with Jacob Nimrodi and other Israeli entrepreneurs, Ghorbanifar introduced US intermediaries like Michael Ledeen to key Iranian officials influding [redacted] Ghorbanifar also established a direct link to [redacted] Prime Minister's Office. A series of meetings ensued with negotiations sometimes appearing highly positive, sometimes near-disastrous. B

- One hostage was released in September, 1985, as a result of this channel.
- A breakdown ocurred in Geneva, in late November 1985, when the Iranians accused the other side of knowingly delivering the wrong version of Hawk missiles to Tehran -- an accusation we believe and for which we blame Nimrodi, if not Ghobanifar.

Progress appeared dramatic in May 1986 when a US delegation led by MacFarlane secretly visited Tehran. The results, however, were disappointing. The Iranians were not prepared to deal directly with so high level a delegation. Still, another hostage was released subsequently, in late July.

Another channel, potentially more promising, was just then opening up through private efforts by Albert Hakim and Dick Seccord. Through a London representative of the Iranian Government, [redacted] a meeting was held in late August in

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Brussels with [redacted] This, in turn, led to two meetings between the
C [redacted] and US officials, one meeting in Washington, the other in Frankfurt.

1 0191

Ghorbanifar's Alleged Financial Straits:

The Ghorbanifar-[redacted] channel is technically "on hold." Clearly, however, it is being supplanted by the Hakim-[redacted] channel -- a fact reportedly known by [redacted] and presumably by Ghorbanifar.

The arms transactions in which Ghorbanifar and [redacted] figured required that Ghorbanifar provide the financing. The US required money in advance of any arms delivery while Tehran, previously burned by other would-be arms providers, demanded shipment before payment. Thus, it fell to middle-man Ghorbanifar to arrange the financing.

Ghorbanifar, working with Adnan Khashoggi, got some Canadian investors to lend $15 million to finance the shipment of Hawk spare parts to Iran. Khashoggi put up collateral to cover at least part of this loan. The interest on the $15M, repayable in 30 days, was 20%. Ghorbanifar, then, would have to pay a minimum of $18M. These financial arrangements were made at the end of April -- before MacFarlane's visit to Tehran.

Since the loan was agreed to, Ghorbanifar claims to have been paid only $8M. He agrees that he received $4M at the end of July follwing the release of Father Jenco. He claims, without proof, that only $3M can be applied to repayment of the loan, the other $1M being related to a separate transaction with [redacted] Ghorbanifar admits to receiving $5M two or three weeks later, but that no additional funds have been forthcoming.

- He states he has been able to repay about $8M to his creditors, including $6M to one financier -- of which $1M was interest.

- He states, too, that he paid other financiers $2M for interest charged.

Ghorbanifar asserts that he now has a $10-$11 million shortfall that he cannot meet. The creditors are becoming angry and have demanded additional interest because the principal is overdue. Ghorbanifar claims to be under tremendous pressure and feels financially discredited.

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- Ghorbanifar's financial situation is murky, indeed. [redacted] has claimed that he paid Ghorbanifar an additional $8M in cash, an assertion that cannot be validated.

Regardless of who is cheating whom -- and we are not likely to be able to sort out these confused finances -- we face a situation where operational security has been forgotten and no one is prepared to deal with the issue.

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Rapprochment with Iran:

The broader, strategic objective has become subordinated to the tactical matter of the American hostages in Lebanon. Notwithstanding, we have obtained useful insights into the factious government of Iran.

- [redacted] for example, has focussed on long-term US economic investment in Iran, in addition to arms supply.

We have not yet developed a viable plan of action to utilize this information. Talk about geo-strategic relations is cheap and easy; hard options on how to accomplish this are harder to come by.

The Ghorbanifar-[redacted] Channel:

Ghorbanifar is depressed and claims his financial situation has been damaged. On several occasions, he has said he would not sit idly by and permit himself to be made the "fall guy" in this matter. He claims to have given written accounts of all that has transpired to several persons in America and Europe. He has directed these individuals to make this material available to the press in the event that "something bad" befalls him. We believe this account would include statements to the effect that:

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- the Government of the United States sold military materiel to the Government of Iran in order to gain the release of American hostages in Lebanon;
- a high-ranking US delegation met in Tehran with representatives of the Iranian government in order to discuss the future relations between the two countries, with various cooperative ventures discussed;

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- the US Government made several promises to him (Ghorbanifar) that it failed to keep; and,

ok ?

- the Government of the United States, along with the Government of Israel, acquired a substantial profit from these transactions, some of which profit was redistributed to other projects of the US and of Israel.

There is also likely to be material alleging poor judgement and shabby conduct by individuals of the US and Israeli governments.

I 0193

Recommendations:

We face a disaster of major proportions in our efforts with Iran despite the apparent promise of the Hakim-[redacted] channel. Too many know too much, and exposure, at a minimum, would damage the new channel badly, perhaps fatally.

- Rafsanjani cannot permit himself to be seen as dealing directly with the "Great Satan".

[illegible] not impossible.

- It is clear from [redacted]s comments that he does not have total control over the Lebanese Shia holding the American hostages.

Because the risk of exposure is growing daily, the following actions are recommended:

(A) Establish a Senior-Level Planning Cell at the White House to focus on the potential for rapprochment with Iran, the appropriate channels to be used, and the separation of the tactical hostage issue from the long-term strategic objective.

This group could consist of two or three experts and should be headed by someone with the stature of a Henry Kissinger, a Hal Sauders, a Don Rumsfeld, or a Dick Helms.

The group should have access to all data concerning the ongoing initiative(s), including White House records [redacted]

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(B) Develop Press Guidance in the Event of an Exposure. We have no coordinated press guidance on how to deal with the Iranian initiative should it be exposed publicly. Press guidance must be prepared now. At least one, possibly two major US journalists have bits and pieces of the hostage story and know that Ghorbanifar was involved in it.

- The Israelis have exposed some of this.
- Khashoggi and the Canadian financiers are complaining to influential US individuals.

We could soon have an incredible mess on our hands and damage limitation must be addressed now in an orderly, systematic manner.

I 0194

(C) Effect [redacted] Orderly, Damage-limiting Shutdown of the Ghorbanifar [redacted] Channel. It is unlikely we could totally discredit any revelations by Ghorbanifar; he has too much documentary evidence that implicates US officials.

- [illegible] has suggested that money be found to pay off Ghorbanifar.
- Perhaps we can engage Ghorbanifar otherwise, in non-hostage-related projects -- say, in the area of Iranian, Libyan, and Syrian sponsored terrorism.

A small working group [redacted] of those knowledgeable of the Ghorbanifar [redacted] channel should meet to consider how to cope with this problem. Clearly, there are some personal things that can be done for Ghorbanifar, for example:

- Arrange permanent alien residency for his girl friend in California.
- Arrange for visas for his family so they can visit relations in the United States, and so his mother can obtain medical treatment here.

These steps will not alleviate Ghorbanifar's financial problems -- regardless of their merit -- but may dispose him more kindly to the US Government and lessen his inclination to expose the Iranian initiative.

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~~TOP SECRET/SENSITIVE~~

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The Director of Central Intelligence
Washington, D.C. 20505

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National Intelligence Council

17 October 1986

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

I 0198

FROM: Charles E. Allen
National Intelligence Officer for Counterterrorism

SUBJECT: Ghobanifar [redacted] Channel

1. My meeting yesterday with Roy M. Furmark, New York representative of Adnan Khashoggi, only served to underscore the serious concerns that I outlined to you in my memorandum of 14 October. Indisputedly, we must endeavor to effect an orderly, damage-limiting shutdown of the Ghobanifar [redacted] channel now before serious--perhaps irrevocable--damage is done to current initiatives to free American hostages in Lebanon and to establish links with moderate factions in the Iranian Government.

2. Furmark, in a brief conversation with me on 16 October, made the following points:

--He has known Ghobanifar since January 1985 and has detailed knowledge of the Ghobanifar [redacted] channel (although he never mentioned [redacted] by name).

--He has met with Ghobanifar many times and participated in discussions in the summer of 1985 on the need for rapprochement between the US and Iran. He acknowledged that rapprochement was not just a national security issue, but that he, Ghobanifar, Khashoggi, and others saw a potentially lucrative market if relations were reestablished between Tehran and Washington.

--The idea of providing Iran with military equipment in exchange for American hostages--seen as a way of commencing a dialogue with Iran--also originated in the summer of 1985 and he along with Ghobanifar, traveled to Tel Aviv in August 1985 where they met with a number of Israeli officials including Amiran Nir, Israeli Special Assistant to the Prime Minister for Combatting Terrorism. Subsequently, arms were delivered to Tehran i- September 1986, a development that resulted in the re Benjamin Weir.

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--After a number of false starts in late 1985 and early 1986, Khashoggi agreed to finance another arms transaction in May 198~~5~~6, just prior to Bud MacFarlane's secret visit to Tehran. He borrowed money from a number of Canadian financiers. On the basis of a signature loan, he borrowed a total of $15 million at 20 percent, agreeing to repay principal and interest in 30 days. Everyone anticipated that the MacFarlane visit would result in resolution of the hostage crisis.

--Unfortunately, this did not occur, and only $8 million has been paid by the Iranians for the equipment received. Of this, $5 million has been used to pay back one creditor; the remaining $3 million has been used to cover expenses and for other matters. No profit has been realized, and Khashoggi owes the Canadians $10 million.

--The current financing was complicated by the fact that Iranian officials in the Prime Minister's Office complained about the price of the Hawk spare parts that were shipped, asserting that the cost was five or six times what should have been charged. Many of the delivered items, moreover, did not work or were for a different model of the Hawk missile system.

--Iranian officials, after having paid $8 million in cash, claim that no additional funds are owed to Ghobanifar or Khashoggi. The shipment of the Hawk spare parts to Tehran, however, resulted in the release of Father Lawrence Jenco.

3. Furmark stated that the current situation has left Ghobanifar and Khashoggi with $10 million of indebtedness and no prospects for resolving this indebtedness. According to Furmark, Ghobanifar and, by virtue of his financial involvement in the scheme, Khashoggi, are being blamed by the Canadian creditors for this situation. The Canadian entrepreneurs, who have investments in oil, gold, mining, and real estate, reportedly are aggressive, tough-minded individuals who have influential contacts in Washington. They have told Khashoggi that unless some payment on the principal is forthcoming, they would begin to inform individuals like Senators Leahy, Moynihan, and Cranston around 15 October about this back-channel deal with Iran and how they have been swindled. Furmark, while stating that he was not authorized to provide the names of the Canadian investors, asserted that we should not underestimate the determination of the Canadians. He claimed they have a reputation for dealing roughly with those who do not meet their obligations. Khashoggi allegedly is trying to get them to extend the 15 October deadline, but was uncertain as to whether he would be successful in this effort.

4. Furmark stated that he spent two days last week in London talking to Ghobanifar. He stated that Ghobanifar is telling the truth about these transactions and insisted that the Iranian entrepreneur had not made any profit off this deal. He stated that Ghobanifar was in a "devastated" condition without any constructive ideas on how to pull himself out of his current financial morass. Khashoggi, who also has financial problems, is not in a position to repay the Canadian creditors. Furmark stated that he had worked for many years in the oil business and was a good judge of individuals who were attempting a swindle. In this case--regardless of other Ghobanifar business deals--he was convinced that the Iranian was essentially telling the truth.

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5. Furmark stated that everyone had agreed to keep this back-channel arrangement with Iran "highly secret" but that if the situation remained static, he is absolutely certain that the Canadians will talk and that the matter will eventually become public knowledge. He recommended that the US consider at least a partial shipment of additional arms to Iran in order to maintain some credibility with the Iranians in the Prime Minister's Office and to provide Ghobanifar with some capital so that the investors can be repaid partially and so that Ghobanifar can borrow money to finance additional shipments. This would keep the process rolling and could result in release of additional hostages. Furmark offered to meet with me in New York next week in order to report fully on his involvement in these transactions.

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6. Comment: B I find Furmark's detailed knowledge of the Ghobanifar [redacted] link deeply troubling. Regardless of who is at fault on the financing--and we know that Ghobanifar is not to be trusted--the exposure of these back-channel dealings will almost certainly have a crippling effect on the new channel that has now been opened between the United States and [redacted] The risk of exposure is growing daily, and I again believe that you must advise Admiral B Poindexter that a group be formed that is knowledgeable of the Ghobanifar [redacted] channel to consider how to cope with this burgeoning problem. If this is not done immediately, I predict an exposure of this activity in the near future. At a minimum, we need to find ways to stave off disclosure for 60-90 days while we work the [redacted] channel tactically to get our hostages released. Furmark showed no indication that he was aware of the new channel, but we know Ghobanifar is aware.

Charles E. Allen

Charles E. Allen

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EXHIBIT OLN-315

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Washington, D.C. 20505

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MEMORANDUM FOR: Vice Admiral John M. Poindexter, USN
Assistant to the President for
National Security Affairs

SUBJECT: Roy Furmark's Comments on the Hostage Situation

I 0195

1. Charles Allen and George Cave went to New York on 22 October 1986 to meet with Roy Furmark. This was an extremely interesting meeting in that it revealed that the financial backers of Ghobanifar have been aware of the operation since its inception and may actually have played a key role in getting it moving, possibly for altruistic reasons, but almost certainly for their own profit. Roy himself admitted several times during the evening that profit was certainly a motive but that the group did see their efforts as leading towards stability in the region and the release of the hostages. Roy appeared to be very open during the course of the evening and everything he told us tracked with what we know. The only doubtful answer he gave was in ✓ reply to a question as to whether some of the principals were involved in the sting operation. Roy said that none of the principals were involved, however, one of the players, lawyer Samuel Evans, was the major indictee and is free on $4.5 million bond. Roy claims that Evans owes him $200,000.

2. Khashoggi has been involved in this from the beginning as Ghobanifar's financier. Everything started in January 1985 with a meeting in Europe, Frankfurt apparently, involving Ghobanifar, Khashoggi, Roy, and others. This was followed up by subsequent meetings in Paris and London. These meetings culminated in a meeting in August 1985 in Tel Aviv. Roy went to Tel Aviv with Ghobanifar and while there they stayed with Nimrodi in his house. During the course of these meetings, Roy met Amiran Nir. At this meeting it was decided that it was necessary to get Washington's approval for the overall plan. There were two basic objectives; one, get release of the hostages, and two open up a dialogue with Iran. Schimmer was sent to Washington to obtain this approval. Roy is uncertain as to whether he discussed this with North or MacFarlane in Washington. Ghobanifar also made a total of four trips to Washington. Ghobanifar represents the line held by the Prime Minister which Roy describes as "Moderate." (We did not tell him that the Prime Minister could not be considered as Moderate.) By way of personal relationships, Roy

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said that he has known Khashoggi since 1966 and trusted him. Roy added that Schimmer and Khashoggi are close. Roy thinks this points up Khashoggi's breadth of vision. Roy pointed out that Schimmer had actually returned from a visit to China to make the August meeting.

3. The first transaction was in September 1985 and was for 500 TOWs. The cost of the TOWs was $5 million. Khashoggi put up the money because he believes in Ghobanifar. The cost to Iran was $6 million. This allowed for $1 million to cover profit and expenses. The first shipment of TOWs was defective, so a second shipment was sent. There was a subsequent $5 million deal that went off in the November-December timeframe. Khashoggi told Roy that they were not involved, but Roy is certain that this was a Khashoggi/Ghobanifar organized deal. 0196

4. Roy said that prior to the next deal, there was a meeting in the Paris airport hotel; he forgets or never knew exactly who was involved in this meeting. The meeting concerned Hawk spare parts. The deal for the Hawk spare parts began to be put together in April 1986. Khashoggi raised $15 million to cover the deal $5 million from an Arab financier, and $10 million from two Canadians. Khashoggi raised the money on 15 May. A group of Americans went to Tehran and took with them seven percent of the Hawk spare parts which consisted mainly of nuts and bolts. With regard to this deal, the financiers, Ghobanifar, and Nir met and agreed that $3 million would be added to the price to cover profit and expenses and also another $2 million would be added to cover monies owed to Nir. The price to the Iranians would then be $20 million. (Why did Ghobanifar charge $24.5 million and with Nir's knowledge?) Neither Roy nor the financiers apparently know anything about the raise in the price by Ghobanifar, although they are aware that the Iranians objected strenuously to the price. Ghobanifar told Roy and Khashoggi that he believed the bulk of the original $15 million price tag was earmarked for Central America. In this regard, Ghobanifar told Roy that he was relieved when the $100 million aid to the Contras was passed by Congress.

5. The above requires clarification. In Tehran, Ghobanifar took Cave aside and told him that the Iranians would be questioning him about the price of the Hawk spare parts. Ghobanifar told Cave to insist that the price of $24 million old dollars is correct. When asked about the huge jack up in price, Nir gave a long circumlocution on why the price of over $24 million was correct. We were so concerned about this that we considered telling Ghobanifar exactly how much he could charge on any subsequent deals. From Roy's comments, it is clear that the 20 percent interest Ghobanifar told us about is in fact the gross profit margin agreed upon.

6. Roy said that Ghobanifar told them that he received two payments, one for $3 million and the other for $5 million. As originally agreed upon, the Arab investor was supposed to get back $6 million for his cut and the Canadians would get back $11 million. The other $1 million was to go to Khashoggi. Ghobanifar's cut was to come out of the $1 million. To the $8 million that Ghobanifar received, he added $100,000 of his own funds. The Arab investor was paid off ($5 million). The two Canadians received $1.1 million. Roy was not sure but presumably the $2 million went to Nir.

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Originally, the Canadians were given a check by Khashoggi in the amount of $11 million to cover the $10 million they provided Khashoggi. The monies to cover the Hawk shipment were paid into an account of a company called Lakeside which is an off-channel company. The Canadians believe that the money was stolen and this is giving Khashoggi heartburn. (Note: This does not square with what we know. We know that Ghobanifar received $4 million from the Iranians in July. He also received $8 million into his Swiss bank account on 21 August. These two payments were cash. He may also have received a check for $6 million in between these two payments. The Iranians raised a big stink about the price of the Hawk spare parts and Ghobanifar offered them a $6 million deduction. According to [redacted] the $8 million payment on 21 August squared their accounts with Ghobanifar by mutual agreement. In fact, according to [redacted], $7 million covered the remainder of the deal, the other million was to help Ghobanifar finance the next deal.)

7. Roy's suggested solution to the problem is to let Ghobanifar handle the shipment of the remainder of the Hawk spare parts. Proceeds from this deal would allow them to ease the Canadian pressure. Then it would be 500 TOWs for one hostage and another 500 TOWs for a second hostage.

Sincerely,

Willian J. Casey

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Partially Declassified/Released on 6 July 1987
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RAMANI:

AKIM: ((INTERPRETS)) AS SOMEONE WHO'S INTERESTED IN SEEING THESE THINGS TAKE PLACE, I'D LIKE TO TELL YOU THAT THERE ARE THREE STEPS, SEPARA FROM THE STEPS THAT WE ALREADY DISCUSSED. ?((THEY))? WILL SOLVE MA OF THE PROBLEMS.

((THE REMAINDER OF TAPEA7 IS UNINTELLIGIBLE. ONLY A FEW WORDS COULD BE HEARD--WORDS LIKE: SPARE PARTS, SEVENTY, [redacted] AND 1500 TOWS.))

C

((END TAPE A7))

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((BEGINNING TAPE A8))

((ENTIRE TAPE POOR QUALITY. BEGINNING FEW EXCHANGES COMPLETELY UNINTELLIGIBLE. INTELLIGIBLE PORTION BEGINS WITH THE FOLLOWING:))

SECORD:- THEY HAVE A LIST OF SPARE PARTS FROM THE AIR FORCE, BUT I DON'T TRUST THE AIR FORCE, BECAUSE WE WERE JUST STARTING TO TRAIN THE HOMAFARS IN THIS FIELD, AND NONE OF THEM WERE IN... THEY WERE NOT ?STAYING LONG?, YOU KNOW, THEY WERE NOT REAL PROFICIENT, NONE OF THEM.

HAKIM: ((INTERPRETS FOR [redacted]

ECORD: I SUSPECT... MY GUESS IS THAT YOU HAVE BIG PROBLEMS IN THE FIRE CONTROL SYSTEM--THE ((WORD MISSED)) AWG-9 FIRE CONTROL SYSTEM.

HAKIM: ((INTERPRETS FOR [redacted]

SECORD: AND IN THE COURSE OF... UNDOUBTEDLY, THERE ARE PROBLEMS WITHIN THE MISSILES THEMSELVES, BECAUSE THEY ARE ((FEW WORDS MISSED.)) I HAVE NOT SEEN THE LIST OF SPARE PARTS YOU TALK ABOUT, BUT I WOULD NOT... I DON'T IMAGINE IT'S A VERY GOOD LIST. I WOULD NOT BE INCLINED TO SAY THAT IT'S A VALID LIST UNTIL EXPERT TECHNICIANS LOOK AT IT.

HAKIM: ((INTERPRETS FOR [redacted]

[redacted] ((MISSED))

SECORD: I ALSO BELIEVE THAT THERE ARE A LOT OF SPARE PARTS IN THE DEPOT AT ISFAHAN AND IN DOSHANTAPEH. ((SENTENCE MISSED)) BUT ANYWAY, BETWEEN THESE TWO SITES, THESE TWO DEPOTS, I AM CERTAIN THAT THERE ARE MANY MANY SPARE PARTS WHICH THEY CAN NOT IDENTIFY BECAUSE ?THEY'RE AN AUTOMATED? LOGISTICS SYSTEM. ((WORD MISSED.))

AKIM: ((INTERPRETS FOR [redacted]

ORD: AND THFN FINALLY I WOULD SAY THAT IF YOU HAD 70 MISSILES, GOOD TECHNICIANS COULD CANNIBALIZE AND MAKE OPERATIONAL SOME MISSILES VERY QUICKLY--IF YOU HAD GOOD TECHNICIANS.

AKIM: ((INTERPRETS FOR [redacted]

((PERIOD IN WHICH SEVERAL [illegible]

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THAT CAN BE FIX[illegible] NIGHT. IT'S GOING TO TAKE A LITTLE BIT OF TIME. AND THE WHITE HOUSE IS GOING TO HAVE TO AUTHORIZE US TO SEND IN SOME TECHNICIANS. AND WE'VE GOT TO GO THROUGH THESE STEPS BEFORE WE DO IT.

C 262

HAKIM: ((INTERPRETS FOR [redacted]).

SECCRD: ((PORTION MISSED)) THE TECH SUPPORT--THE HAWKS THEY'RE TALKING ABOUT. YOU KNOW, I'M SURE THE PRESIDENT WOULD AUTHORIZE US TO WORK ?WITH THEM ON IT? IF WE GOT OUR THREE PEOPLE. ((FEW WORDS MISSED)) OUR THREE PEOPLE

NORTH: YEAH. THAT'S EXACTLY THE PROBLEM.

SECORD: TO PUT IT ANOTHER WAY, [redacted] YOU GIVE ME THE THREE PEOPLE TOMORROW, AND BY NEXT WEEK WE'LL ?PROBABLY? HAVE SOME PEOPLE IDENTIFIED.

HAKIM: ((INTERPRETS FOR [redacted]). ((THEN SPEAKS A FEW SENTENCES IN ENGLISH WHICH CAN NOT BE HEARD.))

SECCRD: ?HE IS? SAYING THE SAME THING I JUST SAID. ((FEW WORDS MISSED)) WHICH IS I THINK THE PRESIDENT WILL AUTHORIZE US WE DO SOME TECHNICAL WORK--WE'VE ALWAYS TALKED ABOUT THIS ((FEW WORDS MISSED)) IF WE GET OUR THREE PEOPLE BACK. THAT'S WHY I SAID, "GIVE ME THE THREE PEOPLE TOMORROW, AND I'LL BET YOU HE'LL SAY THAT THEY'RE GOING TO GET SOME TECHNICIANS ?IN ABOUT A WEEK?.

TH: THE BIG PROBLEM I'VE GOT IS THE WHOLE DAMN ((FEW WORDS MISSED)) I MEAN, IF WE'RE REALLY SINCERE ABOUT THIS WHOLE FRIGGIN THING, WHAT WE OUGHT TO BE DOING IS, THEY OUGHT TO BE EXERCIZING EVERY POSSIBLE AMOUNT OF LEVERAGE THEY'VE GOT TO GET THOSE PEOPLE OUT, AND WE AGREE THAT AS SOON AS THEY'RE OUT, WE CAN DO ALL KINDS OF GOOD THINGS, BECAUSE THAT'S WHERE WE'RE ?HEADED?. WE ?WANT? A FRIGGIN FMS CONTACT ((WORD MISSED)) OUT THERE. WHAT WE'RE TRYING TO DO IS TO POSE ((WORD MISSED)) AND ALL THIS SECRET SHIT, AND GET ON WITH THE REAL RELATIONSHIP.

AKIM: ((INTERPRETS FOR [redacted]).

ORTH: YOU KNOW, WHEN WE WERE IN TEHRAN, YOU KNOW, FOULED UP THOUGH IT MAY HAVE BEEN, IF YOU LOOK AT THE DOCUMENT THAT I WROTE AND MCFARLANE HAS PREPARED TO SIGN, YOU WILL SEE THAT THAT'S WHAT WE WERE TALKING ABOUT WAY BACK THEN, WAY BACK IN MAY. ((FEW WORDS MISSED)) BEYOND THE HOSTAGES, WE CAN GET ON WITH A FORMAL RELATIONSHIP.

AKIM: ((INTERPRETS FOR [redacted]).

ORTH: EVERYTHING WE HAVE DONE SINCE THE VERY FIRST CONTACT, WHETHER IT BE STEP BY STEP OR WHETHER IT BE ALL AT ONCE, THAT'S WHERE WE'VE BEEN TRYING TO GO.

IM: ((INTERPRETS FOR [redacted]).

RTH: YOU GUYS DON'T TRUST US, AND WE DON'T TRUST YOU, AND SO WE END UP DOING IT A LITTLE BIT AT A TIME...

KIM: ((INTERPRETS FOR [redacted]).

[illegible] ((IN PERSIAN TO [redacted] UNINTELLIGIBLE.))

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RTH: WHEN WE WERE IN TEHRAN, ALL MCFARLANE SAID WAS--"LOOK. WE DON'T WANT YOU GUYS TO LOSE. WE WANT. WE WANT AN HONORABLE SETTLEMENT. AND ALL YOU HAVE TO DO IS USE YOUR INFLUENCE TO GET THOSE HOSTAGES OUT, AND WE'RE GOING TO DO ALL KINDS OF THINGS FOR YOU." IN FACT, HE SAID, "DON'T LIMIT YOURSELF TO JUST THIS. THERE IS MUCH, MUCH MORE THAT COULD BE DONE. THE HOSTAGES HAVE TO GET BEHIND US."

KIM: ((INTERPRETS FOR [redacted]

[redacted]

KIM: ((INTERPRETS)) THEY ARE CONVINCED THAT...HE HAS SAID IT BEFORE, HE SAID, "AFTER THINGS BROKE UP IN IRAN, AND YOU ((FEW WORDS MISSED)) TO SEND THE STUFF, THAT INDICATED TO THE IRANIANS THAT THE AMERICANS HAVE ((FEW WORDS MISSED)).

RTH. HOW THE HELL DO WE GET FROM WHERE WE ARE TODAY TO WHERE WE'VE GOT TO GO?

KIM: ((INTERPRETS FOR [redacted]

[redacted]

KIM: ((INTERPRETS)) HE SAYS A COUNTRY LIKE THE UNITED STATES--A SUPERPOWER-((PORTION MISSED)). THEN I SAID, "AN IMAM LIKE KHOMEINI--THE FIRST SHIAH IMAM--THE FIRST ?GOVERNOR? OF SHI'ITES IN THE WORLD--HE DOESN'T HAVE THE POWER OF GOING TO LEBANON AND TELLING THOSE ASSHOLES TO RELEASE THE THREE HOSTAGES? SUCH A GREAT RELIGIOUS POWER? NO, HE DOESN'T ((FEW WORDS MISSED.)) I SAID, "WELL, OUR PRESIDENT DOESN'T ((FEW WORDS MISSED.))" I'M TRYING TO MAKE THE POINT THAT IT'S THE WRONG ATTITUDE TO SIT BACK AND SAY THE UNITED STATES IS A SUPERPOWER, AND YOU FORGET THAT THEY ARE ALSO A SUPER RELIGIOUS COUNTRY. IT'S VERY EQUAL.

TH: WELL, ((FEW WORDS MISSED)) THE INFLUENCE THAT THE IMAM HAS OVER THOSE WHO HOLD THE HOSTAGES IS ((WORD MISSED.))

IM: OF COURSE. HE CAN GET THOSE PEOPLE BACK WITH ONE WORD, ONE WORD. I AM CONVINCED. IT'S ((FEW WORDS MISSED.))

IM: ((INTERPRETS FOR [redacted]

IM: ARE YOU GOING TO STICK TO THE PAPER THAT YOU GAVE THEM IN MAY, IF YOU GET THE HOSTAGES BACK?

TH: SURE. AND YOU KNOW THE ((WORD MISSED)) PAPER ALSO TALKS ABOUT "ALL OF THE HOSTAGES." ALL THE HOSTAGES, ALL TERRORISM STOPS.

IM: I UNDERSTAND. BUT YOU ARE PREPARED TO STICK TO YOUR PAPER OF MAY?

TH: OF COURSE.

: ((INTERPRETS FOR [redacted]

IM: ((FEW WORDS MISSED)) COPY IN THE FILE?

TH: YEAH. AND THERE IS STILL A COPY THERE IN TEHRAN

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[redacted]

CAVE: ((INTERPRETS, THEN CONVERSES WITH [redacted] IN PERSIAN. UNINTELLIGIBLE))

NORTH: WHAT DIFFERENCE DOES IT MAKE. WHAT CAN THEY DO? I MEAN THEY RE IRRELEVANT.

CAVE: ((INTERPRETS FOR [redacted]

[redacted]

CAVE: ((INTERPRETS. UNINTELLIGIBLE.))

NORTH: [redacted]

CAVE: ((INTERPRETS FOR [redacted] MAKES ADDITIONAL COMMENTS TO [redacted] AND EXPLAINS TO NORTH WHAT HE HAS TOLD [redacted] ONLY SNATCHES OF WHICH WERE INTELLIGIBLE.))

NORTH. WHEN MCFARLANE WAS IN ((WORD MISSED)), MY FRIEND [redacted] WAS THERE. MCFARLANE KEPT SAYING THINGS LIKE, "LOOK. PUT THIS BEHIND YOU. DON'T LIMIT YOURSELF TO THESE SMALL LITTLE THINGS. THINK BIG. THINK BEYOND THE HOSTAGES. THINK ECONOMICALLY. THINK OF ALL KINDS OF WAYS IN WHICH WE CAN HELP YOU, NOT JUST SENDING IN PHOENIX MISSILES. AND THAT'S THE IMPORTANT THING TO DO. BUT WE CAN'T THINK BIG WHEN WE'VE GOT THAT STARING AT US.

[redacted]

((CHATTER ABOUT SOMEONE NEEDING AN ASPIRIN))

SECORD: TELL HIM THAT ~~IF HE JUST GOES OUT TOMORROW OR THE NEXT DAY AND GRABS~~ [illegible] ~~IN AND REBUILD~~ [illegible] ~~AIR FORCE~~ [illegible] ~~GO BACK IN AND~~ [illegible] [redacted] ~~BUILT THAT AIR FORCE~~— FOUR AND A HALF YEARS.

HAKIM: ((INTERPRETS FOR [redacted].

SECORD: YOU ~~SEE~~ [illegible] ~~THE PRESIDENT. WE CAN GO OUT HERE~~ [illegible] ~~FIND SOME PEOPLE~~— PEOPL[illegible] ~~RETIRED FROM THE MILITARY~~, PEOPLE WHO [illegible] IN INDUSTRY.

HAKIM: ((INTERPRETS FOR [redacted]

SECORD: WE'LL SAY THEY'RE SWISS OR SOMETHING, YOU KNOW, AND IT'S NOT A PROBLEM. BUT IT TAKES TIME.

CAVE: ((INTERPRETS FOR [redacted].

((UNINTELLIGIBLE CHATTER.))

SECORD: I GUARANTEE ~~HIM THAT IF HE LETS US SEND A COUPLE OF~~ LOGISTICS EXPERTS INTO ~~THEIR DEPOTS~~ [illegible] ~~DOLLARS~~ WORTH OF STUFF THEY ~~DON'T~~ [illegible]

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RD: HE HAD AN IRANIAN AIR FORCE WITH THE MOST WELL-SUPPLIED AIR FORCE THE WORLD HAS EVER SEEN. ((PORTION MISSED))

ORTH: HOW ARE YOU GOING TO FIX KHARG ISLAND?

AKIM: ((INTERPRETS FOR [redacted]).

ORTH: HOW ARE YOU GOING TO PROVIDE HOUSES?

[redacted]

AKIM: HE SAYS THAT'S NOT AN ISSUE. THEY ((COUPLE OF WORDS MISSED)) PRODUCE MORE THAN TWO MILLION BARRELS A DAY. HE SAYS THE EXPERTS KNOW THAT ((FEW WORDS MISSED)).

ORTH: BUT THAT'S BECAUSE THERE HASN'T BEEN ANY NEW EXPLORATION ?SINCE THE? WAR STARTED.

AKIM: ((INTERPRETS FOR [redacted]

[redacted]

AKIM: EVEN THE SHAH COULD NOT PRODUCE MORE THAN FOUR MILLION ((FEW WORDS MISSED)).

'H: ((UNINTELLIGIBLE))

ECORD: THE POINT IS THAT--AS I'VE BEEN TELLING THESE GUYS FOR OVER A YEAR NOW--A FEW WELL-PLACED TECHNICAL EXPERTS, IN WHATEVER FIELD ?THEY'RE TALKING ABOUT? THEY'LL BE WORTH MORE MONEY THAN THEY COULD EVER SPEND. ((FEW WORDS MISSED))

AKIM: ((INTERPRETS FOR [redacted]).

ORTH: THERE IS AN IMPORTANT POINT ON THE TECHNICAL ((WORD MISSED)), AND THAT IS: THAT ISSUE--IT'S JUST LIKE THE MCFARLANE THING--THAT WILL BECOME PUBLIC.

AKIM: ((INTERPRETS FOR [redacted]).

ORTH: WE WANT TO MAKE SURE THAT WE CAN DO IT RIGHT, AND THAT IT'S NOT GOING TO COS [redacted] OF THE RISK [redacted] ISSED)).

AKIM: ((INTERPRETS FOR [redacted].

ORTH: IT'S TIME FOR YOU GUYS TO TAKE A CHANCE.

((SEVERAL EXCHANGES UNINTELLIGIBLE.))

RD: [redacted] THE GUY WHO RAN THE HAWK [redacted] IRAN FOR ME.

AKIM: ((INTERPRETS FOR [redacted]).

((SEVERAL EXCHANGES UNINTELLIGIBLE. [redacted] APPARENTLY LEAVES

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: WHO THE ((EXPLETIVE)) IS [redacted]

: HIS LAST NAME IS [redacted]

: ((UNINTELLIGIBLE.))

M: HE'S THERE NOW.

RD: WHERE IS THE BASTARD?

M: HE'S IN TEHRAN AND HE'S GOING TO [redacted] ((SENTENCE MISSED.)) AND HE'S AFRAID THAT HE'S BEING TAKEN OUT OF THE DEAL AND ((WORDS MISSED)).

RD: [redacted] ~~TOLD ME WHILE YOU WERE OUT OF THE ROOM~~ THAT HE WAS GOING TO SOLVE [redacted] ((FEW WORDS MISSED)) BUT WE ~~DON'T KNOW HOW.~~

M: I DON'T CARE HOW RIGHT NOW.

RD: I DON'T CARE HOW EITHER, EXCEPT I HAVE SOME DOUBT THAT HE WILL.

M: HE CAN DO IT. I KNOW THAT.

: WELL, YOU KNOW, YOU SAID IT YOURSELF. THE ONLY THING THAT WAS NECESSARY IS FOR THE IMAM TO MAKE VERY CLEAR TO PEOPLE...

M: AND HIS SITUATION IS RIGHT FOR THEM TO DO IT.

: ((UNINTELLIGIBLE)) [redacted] HAS TO GET ((FEW WORDS MISSED.)) HE CAN'T DO IT FROM HERE.

M: ?DID HE SAY? [redacted] WAS STAYING HERE?

RD: NO. [redacted]

HOW'S HE GOING TO DO IT FROM [redacted] HOW'S HE GOING TO THOSE GUYS RELEASED ((FEW WORDS MISSED.))

((A NUMBER OF EXCHANGES MISSED)) ((CHATTER ABOUT GOING SOMEWHERE TO EAT.))

RD: I DON'T UNDERS[redacted]ALL THREE [redacted]

M: I DON'T EITHER.

M: BECAUSE, I THINK... YOU WANT AN ANSWER? BECAUSE ((FEW WORDS MISSED)) THEY'RE NOT GOING TO USE KHOMEINI. ((FEW WORDS MISSED)) BUT THEY DON'T WANT TO USE THEIR BIG GUNS.

((SEVERAL EXCHANGES MISSED.))

M: THEY DON'T KNOW WHERE THEY ARE.

: THEY KNOW WHERE THEY ARE.

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ORD: HOPE ?WE DON'T NEED HIM THEN?.

H: NO, I HOPE WE DON'T EITHER.

ECORD: WE'RE GOING TO BE NEGOTIATING ?ABOUT? THE NEW HOSTAGES BY THEN. ((LAUGHTER))

ORTH: GOOD-BYE GUYS.

((SEVERAL EXCHANGES MISSED))

ECORD: WE MEET AGAIN TONIGHT.

((SEVERAL EXCHANGES MISSED))

ECORD: DID YOU EVER FIGURE OUT WHAT TIME YOU'RE GOING IN THE MORNING?

((FEW EXCHANGES MISSED))

RTH: IF HE THINKS HE'S GOT TO GO BACK THERE TO MAKE IT WORK, LET HIM GO BACK THERE...

ECORD AND CAVE: ((UNINTELLIGIBLE))

RTH: I'M REALLY SERIOUS ABOUT THAT.

ECORD?: LET HIM GO BACK THERE ((FEW WORDS MISSED)) CAN ?BACK OUT?

: HE WAS SUPPOSED TO HAVE A MEETING ((FEW WORDS MISSED)).

AKIM? NO, HE SAID, HE SAID FRIDAY.

RTH: FRIDAY? FRIDAY? IT ?MAY NOT BE DONE? BY FRIDAY. THAT'S ONLY TWO DAYS AWAY.

KIM: WELL, I'M TRYING TO FIND OUT WHAT SORT OF MIRACLE IS ABOUT TO HAPPEN.

RTH: I NEED TO KNOW AT THIS POINT, TWO THINGS. I NEED TO KNOW WHAT HE WANTS US TO SAY ABOUT....

KIM: ((FEW WORDS MISSED)). YOU KNOW, I TOLD RICHARD A LONG TIME AGO. YOU GOT THE ??CUSTOMER?? THROUGH ME. YOU GOT THE ((WORD MISSED)) FROM ME. I WANT YOU TO BE RIGHT BACK IN THE MIDDLE. I AM OPTIMISTIC THAT THEY ARE GOING TO MEET THEIR ??DEADLINE??. I REALLY AM.

RTH: FOR YOUR SAKE, I HOPE SO.

IM: ((LAUGHS))

((EXCHANGE MISSED))

.D: [redacted]

TH:

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((HAKIM ANSWERS PHONE. TALKS IN PERSIAN BRIEFLY. TURNS THE PHONE OVER TO NORTH FOR A COUPLE OF MINUTES WHO TELLS THE PARTY ON THE OTHER END THAT HE IS DOING GOOD WORK AND THAT "WE WON'T FORGET" HOW WELL HE HAS DONE. ALSO ASKS THE PARTY IF HE HAS RECEIVED ANY MAIL FROM HIS DAUGHTER. THEN HE TURNS THE PHONE BACK TO HAKIM WHO TALKS IN PERSIAN WHILE THE AMERICANS CONVERSE AMONG THEMSELVES ABOUT GOING TO DINNER. THEN THEY ALL LEAVE THE ROOM.))

((WHEN TAPING RESUMES AGAIN, THE IRANIANS AND HAKIM ARE IN THE ROOM CONVERSING IN THE BACKGROUND IN PERSIAN. ONLY ISOLATED WORDS AND PHRASES COULD BE UNDERSTOOD. [redacted] CAN BE HEARD SPEAKING ON THE PHONE, SAYING THAT SOME ACTION SHOULD BE TAKEN AS SOON AS POSSIBLE. "TOMORROW MORNING WOULD BE BETTER THAN THE DAY AFTER TOMORROW. THE DAY AFTER TOMORROW WOULD BE BETTER ?THAN THE NEXT DAY?. THE DEADLINE IS SUNDAY, AND ANY DAY IT COULD BE DONE WOULD BE BETTER THAN THE PREVIOUS ONE ((SIC))."

((END OF TAPE A9))

((BEGINNING OF TAPE A10))

((TAPE TEN CONSISTS ENTIRELY OF CONVERSATION AMONG THE PERSIANS IN THE BACKGROUND, AND ONLY ISOLATED WORDS AND PHRASES COULD BE UNDERSTOOD. HAKIM WAS PRESENT FOR AT LEAST PART OF THE TIME, AND MADE A PHONE CALL IN WHICH HE TALKED ABOUT ITEMS WHICH HE REFERRED TO AS 156'S.

((END OF TAPE A10))

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TAPE A3

Partially Declassified/Released on 6 Jan 1987
under provisions of E.O. 12356
by B. Reger, National Security Council
C 292

(MEETING AT MAINZ, W. GERMANY, 29-30 OCTOBER 1986)

IM: ((INTERPRETS IN PERSIAN)) AND IF THEY ARE NOT SUCCESSFUL, THEY WILL LEAVE THIS CHANNEL; THEY WILL PURSUE ((WORD MISSED)) CHANNEL. IF THEY DON'T GIVE THEM A ((POSITIVE)) REPORT BY SUNDAY, THEY WILL ABANDON THIS ROUTE.

E: ((IN PERSIAN)) I'D LIKE TO ADD SOMETHING. SINCE ((FEW WORDS MISSED)) FOR SEVERAL MONTHS, WE KNOW THAT IF WE DO NOT COMPLETE THIS, ALL THE ((FEW WORDS MISSED)).

E: ((IN ENGLISH)) I TOLD THEM THAT ((FEW WORDS MISSED)) IF WE ARE NOT SUCCESSFUL AND THIS CHANNEL IS ((FEW WORDS MISSED)), THEN ALL THIS WORK WE'VE DONE ...

TH: AND IT WILL TAKE A YEAR ...

IM: ((INTERPRETS IN PERSIAN)) HE WAS EXPLAINING THAT IF WE ARE NOT SUCCESSFUL, NOT ONLY WILL THIS GROUP'S WORK COME TO AN END AND ((FEW WORDS MISSED)), BUT GROUPS IN THE FUTURE WHICH WANT TO MAKE CONTACT WILL USE THIS AS AN EXAMPLE--THAT IRANIANS ?ARE NOT RELIABLE?. THIS WILL BE STUDIED.

[redacted] & HAKIM:

E: ((IN PERSIAN--UNINTELLIGIBLE))

ORD: WHAT NORTH IS GETTING AT IS WE ARE GOING DOWN IN THE STEPS NOW--THE NINE POINTS. WE'RE GOING TO VERY QUICKLY... WE EXPECT THEM TO ?MOVE? VERY QUICKLY SO THAT WE CAN MOVE TO THE NEXT STEP, AND THE NEXT STEP, AND THE NEXT STEP AND THERE WON'T BE ANY OPPOSITION.

IM: ((INTERPRETS))

[redacted]

IM: ((INTERPRETS)) IF YOU DON'T HAVE ANY MORE ISSUES ON YOUR SIDE, HE LIKES TO LET ME EXPLAIN WHAT'S HAPPENING ON THEIR SIDE.

TH: WELL, I DO WANT TO HEAR THAT. LET ME JUST MAKE ONE POINT ABOUT THAT... HE ((HAKIM)) WORKS FOR ME--YOU ((CAVE)) TRANSLATE THIS--HE WORKS FOR ME AS A CONSULTANT. I DON'T KNOW THE FARSI WORD FOR CONSULTANT, BUT AS A PART-TIME CONTRACT EMPLOYEE.

((INTERPRETS))

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TH: HE HAS BEEN THIS FOR FOUR, FIVE YEARS, FOR ME SINCE I HAVE BEEN AT THE WHITE HOUSE--IN THE PRESIDENT'S OFFICE. HE DOES TRANSLATIONS. THE VOA BROADCASTS IN FARSI, WHICH YOU ASKED FOR AND WE GAVE, HE TRANSLATED THOSE FROM MY ENGLISH TO FARSI.

E: ((INTERPRETS))

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((INTERPRETS)) UNTIL A FEW DAYS AGO, BASED ON PREVIOUS ARRANGEMENTS, [redacted] HAD PROMISED THEM THAT HE WOULD APPROACH THIS IN A VERY PROPER WAY AND HANDLE IT VERY CORRECTLY. AND THEY HAD DECIDED TO KEEP THIS AWAY, SECRET FROM MOST OF THE PEOPLE, AND HE PERSONALLY COORDINATED WITH A NUMBER OF THE PEOPLE, BUT HE DOESN'T BELIEVE IT'S THE RIGHT TIME FOR HIM TO RELEASE THEIR NAMES. AND BROUGHT IT TO THE POINT THAT ((FEW WORDS MISSED)) AND ONLY TWO DAYS AGO THAT [redacted] SAID THAT WE THINK IRAN HAS REACHED THE STAGE THAT WE SHOULD ?RETURN? TO OTHER PEOPLE AS WELL.

[redacted]

((INTERPRETS)) IT GOT TO THE POINT THAT IT WAS DIFFICULT TO KEEP IT SECRET BECAUSE, FOR INSTANCE, [redacted]--COULD HAVE FOUND OUT ABOUT THEIR TRYING TO GET 10 MILLION DOLLARS OUT ((FEW WORDS MISSED)). THEY HAVE GOTTEN 8 MILLION OUT SO FAR. 4 AND 7 ((FEW WORDS MISSED)). THEY COULD NOT HAVE KEPT THAT A SECRET, SO THEY DECIDED TO BRING EVERYBODY ELSE IN.

[redacted]

((INTERPRETS)) HIS NAME--[redacted]--IS GOING TO BE GIVEN TO THE 'FFERENT GROUPS. THEY HAVE GIVEN [redacted] TO THE DIFFERENT .OUPS THAT HE HAS ((FEW WORDS)) AND THE REASON IS TO ENABLE HIM TO GO FROM ONE GROUP TO THE OTHER AND BE INVOLVED IN THE KIND OF WORK THAT HE CAN DO. NOW, WITH WHAT HAS HAPPENED, WITH THE TOWS COMING OUT, THEY ARE GOING TO PRICE IT, BY THE WAY, AT 8 THOUSAND EACH.

WAIT A MINUTE. I'M CONFUSED. WITH THE TOWS COMING WHERE?

IRAN. WHICH ARE THERE NOW.

THIS ONE...

YEAH. THE MILITARY INTELLIGENCE THAT THEY GOT, AND THAT IN ITSELF IS A REVOLUTIONARY ACTION AND EVERYBODY'S GOING TO GO CRAZY AND BERSERK OVER THIS, BECAUSE IT IS SUCH AN IMPORTANT EVENT IN THIS TYPE OF PICTURE.

: BUT WHAT'S THE POINT?

I STOPPED, YOU KNOW, I'M TRYING TO TRANSLATE.

[redacted]

'INTERPRETS)): "HE IS EXPLAINING WHY THE ARRIVAL OF THE TOWS--AND THE ILITARY INFORMATION IS COMPLETELY BACKED UP--FIRST: ONE: [redacted] AND HIS GROUP--[redacted]--ARE GOING TO BE TOTALLY ELIMINATED.

[redacted]

((INTERPRETS)): TWO: THIS WILL ESTABLISH THE CREDIBILITY OF THIS CHANNEL AS THE ONLY CHANNEL, AS THEY HAVE BEEN CLAIMING, WHO SHOULD

[redacted]

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[1p.]

Denied in entirety

Partially Declassified/Released on 6 July 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

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(T A P E 12)

((TAPE BEGINS WITH HAKIM AND [redacted] TALKING QUIETLY TOGETHER. AT TIMES, EVEN WHISPERING. ONLY A FEW PHRASES COULD BE HEARD. AT ONE POINT HAKIM SAYS, "THESE PEOPLE THINK THAT THEY ARE TALKING WITH ONE INTEGRATED GROUP, SO THAT IF YOU SAID ANYTHING IN FRONT OF [redacted] WHEN HE WAS THERE, THEY DON'T HAVE TO REPEAT IT ALL TO YOU THE NEXT TIME." THEN U.S. PARTIES ENTER THE ROOM AND SEVERAL CONVERSATIONS ARE TAKING PLACE SIMULTANEOUSLY. THEN TALKS RESUME.))

CRD: BEFORE YOU GO TO THIS ?INTEL?, MAY I ADDRESS THIS LIST? I'M GOING TO ADDRESS THIS LIST. THERE ARE SOME TERRIFIC PRACTICAL PROBLEMS HERE. THERE ARE A COUPLE OF REAL, AS OPPOSED TO PHILOSOPHICAL, PROBLEMS WITH THIS LIST.

IM: ((INTERPRETS))

CRD: THE FIRST IS POLITICAL.

([redacted] LEAVES THE ROOM AT THIS POINT ?TO GO TO BATHROOM? AND U.S. NEGOTIATORS DISCUSS STRATEGY WITH HAKIM. PROBLEMS WITH ITEMS ON IRANIAN SHOPPING LIST. THEN MR. [redacted] COMES BACK IN THE ROOM.))

CRD: THE FIRST PROBLEM IS POLITICAL. BASED UPON PREVIOUS OFFICIAL REQUESTS OF THE IRANIAN GOVERNMENT, I.E. [redacted] AND VERIFIED, AND I WOULD UNDERLINE, DESPERATE REQUESTS FROM HIM, FOR TOWS FOR HAWK PARTS AND FOR HIGH POWERED RADARS. WE HAVE ACHIEVED PRESIDENTIAL AUTHORITY FOR IMMEDIATE AIR DELIVERY OF THOSE ITEMS.

IM: ((INTERPRETS))

CRD: [redacted] CAN DENY THIS OR NOT DENY THIS. IT IS IRRELEVANT. WE HAVE DOCUMENTARY PROOF. IT'S NOT EVEN WORTH DISCUSSING.

IM: ((INTERPRETS))

CRD: AND THE PRESIDENT OF THE U.S. HAS APPROVED A SECRET OPERATION TO DELIVER THESE ITEMS IMMEDIATELY, AND WE WOULD HAVE ALREADY DELIVERED THEM EXCEPT THAT WE WERE ASKED TO HOLD UP SO THAT WE COULD HAVE THESE HIGHER LEVEL DISCUSSIONS.

IM: ((INTERPRETS))

CRD: WHICH SEEMED REASONABLE TO US AND GOOD, BECAUSE WE WANTED TO HAVE A MORE RELIABLE, RATIONAL SYSTEM FOR DISCUSSIONS.

IM: ((INTERPRETS))

CRD: WE ALSO, I HOPE, MADE CLEAR TO [redacted] IN WASHINGTON THAT WE DON'T REGARD THESE ITEMS BY THEMSELVES AS BEING PARTICULARLY DIFFICULT TO ACQUIRE---SOME OF THE LARGE NUMBERS, FOR INSTANCE, 10 THOUSAND 175 ROUNDS WOULD TAKE A LONG TIME.

IM: ((INTERPRETS))

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SRD: [redacted] US THAT WHEN WE DELIVER THESE FIRST AIRPLANE LOADS OUR HOSTAGES ARE GOING TO BE RELEASED. WE WILL START PRICING AND GOING FOR POLITICAL AUTHORITY. AND GETTING ((FEW WORDS MISSED)). BUT WE CON'T DARE GO OUT AND START DOING SOMETHING LIKE UNTIL WE HAVE THE POLITICAL SUCCESS BEHIND US.

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IM: ((INTERPRETS. BUT HIS INTERPRETATION DIFFERS SOMEWHAT. HE SAID. IN PERSIAN)) THIS IS STILL PART OF THE POLITICAL PROBLEM. HE SAYS THAT WHEN WE ARE SURE THAT THE MATTER OF THE HOSTAGES HAS BEEN RESOLVED AND WE HAVE PUT THIS PROBLEM BEHIND US. ((INTERRUPTED BY KNOCK ON DOOR.))

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SRD: WE WOULD LOSE OUR SECRECY.

[redacted] WHEN YOU SAY THE ITEMS ARE NOT DIFFICULT TO OBTAIN. ((FEW WORDS MISSED))

IM: ((IN PERSIAN)) IF YOU LOOK AT THESE ITEMS INDIVIDUALLY. IT IS NOT DIFFICULT TO OBTAIN THEM. BUT JUST TO TAKE THE FIRST STEP. TO ((FEW WORDS UNCLEAR)) ETC.. IT IS NECESSARY TO ELIMINATE THIS POLITICAL PROBLEM. WE DO NOT DARE TO START STIR THINGS UP BY GETTING PRICES. ETC..... ((THEN. IN ENGLISH TO THE U.S. SIDE)) IF I MAY. AT THIS TIME. I FIND IT APPROPRIATE TO EXPLAIN TO HIM WHY THIS IS DIFFICULT TO START WITHOUT POLITICAL SUPPORT AND ADD WHAT YOU TOLD ME EARLIER.

TH: LET ME. OKAY? EVERYTHING THAT THE GENERAL SAID IS ENTIRELY ACCURATE. WHEN WE LOOKED AT THIS LIST. WE ESTIMATED THAT. EXCLUDING THESE TWO-ITEMS. THE HAWK AND THE TOWS. WE ARE LOOKING AT A MINIMUM OF FOUR SHIPLOADS OF EQUIPMENT.

IM. ((INTERPRETS))

TH: THOUSANDS OF PEOPLE IN THE U.S.. AT A MINIMU. WOULD KNOW ABOUT THAT.

IM: ((INTERPRETS))

TH: IF WE ARE GOING TO DO SOMETHING LIKE THIS. IT HAS TO BE VERY CLEAR THAT WE ARE DOING THIS BECAUSE WE ARE WORKING FOR A MILITARY BALANCE IN THE REGION AND A POLITICAL SOLUTION. AND HONORABLE SOLUTION TO THE IRAN-IRAQ WAR.

IM: ((INTERPRETS)) ((BUT SAYS "THE WORLD MUST UNDERSTAND THAT WE ARE EMBARKING ON A COURSE TO CREATE A BALANCE OF POWER.. THAT MUST BE THE UNDERSTANDING THAT THE WORLD HAS.))

TH IN ORDER FOR US TO BE SEEN AS TAKING A POLITICAL ROLE IN ACHIEVING A BALANCE IN THE MILITARY SITUATION. OUR JUSTIFICATION FOR THAT. WE MUST BE ABLE TO TELL OTHER PEOPLE. TO INCLUDE OUR OWN PEOPLE. THAT WE ARE CARRYING ON A DIALOGUE WITH THE GOVERNMENT OF IRAN.

IM: ((INTERPRETS))

IN ORDER FOR US TO CARRY ON A DIALOGUE WITH THE GOVERNMENT OF IRAN THAT IS POLITICALLY ACCEPTABLE TO OUR PEOPLE. WE MUST HAVE TAKEN THAT ROCK IN THE ROAD. THAT OBSTACLE. AND PUT IT BEHIND US..

IM: -- ((INTERPRETS. [illegible] SPELLS OUT FOR THE IRANIANS THAT THE "ROCK IN THE ROAD" IS A REFERENCE TO THE HOSTAGES))

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[redacted] AND LIST THE GOOD THINGS THAT THEY HAVE DONE FOR US.

ATH LET ME MAKE JUST ONE LAST POINT, AND THEN IT'S YOUR TURN. IT IS ALSO IMPORTANT TO UNDERSTAND THAT OUR APPROACH IS NOT THAT OF THE FRENCH WHO HAVE DIFFERENT OBJECTIVES, AND BECAUSE FRANCE IS MUCH SMALLER, AND HAS A SMALL ROLE IN THE WORLD, THEIR GOALS ARE MORE LIMITED. C 382

IM: ((INTERPRETS))

[redacted] ARRIVES))

ATH: RONALD REAGAN IS GOING TO BE PRESIDENT OF THE U.S. FOR TWO MORE YEARS AND WILL NEVER AGAIN SERVE AS PRESIDENT.

KIM: ((INTERPRETS))

[redacted] THERE IS MCFARLANE.

TH: HE WANTS TO BE PRESIDENT?

[redacted]

KIM: ((INTERPRETS)) THEY ARE VERY ACTIVE IN TRYING TO MAKE MCFARLANE PRESIDENT. ((LAUGHTER))

TH: THAT'S NOT BEYOND REASON. IT COULD HAPPEN. ((CONTINUES WITH PREVIOUS THOUGHT)) THIS PRESIDENT WOULD LIKE TO HAVE--I CAN TELL YOU BECAUSE I'VE LISTENED TO HIM--HIS VISION IS THAT WHEN HE LEAVES OFFICE IN 1989 WE WILL HAVE FULL DIPLOMATIC RELATIONS BETWEEN YOUR COUNTRY AND OURS.

IM: ((INTERPRETS))

TH HE WOULD LIKE TO BE REMEMBERED AS A MAN WHO HELPED TO BRING PEACE, IF YOU WILL, TO THE CHRISTIAN AND MOSLEM AND JEWISH PEOPLE IN THIS WORLD.

[redacted] ((INTERPRETS))

TH THAT'S WHY HE SELECTED THE VERSE HE DID FROM OUR HOLY BOOK.

IM: ((INTERPRETS))

TH IT ISN'T SOME SHORT-TERM THING JUST TO GET REELECTED OR TO SOLVE SOME IMMEDIATE PROBLEM, AND THEN FORGET ABOUT IT. HE REALLY HAS A LONG-TERM VISION.

IM ((INTERPRETS))

TH HE KNOWS THAT SADDAM HUSAIN IS A ((EXPLETIVE))

[redacted] DO YOU WANT ME TO TRANSLATE THAT?

GO AHEAD. THAT'S HIS WORD, NOT MINE.

((JOKING ABOUT THE ABOVE))

TH THE INFORMATION THAT WE ARE ABOUT TO GIVE YOU WE HAVE NEVER GIVEN TO ANYBODY ELSE .. THIS DETAIL WHO IS AT WAR WITH A COUNTRY WITH WHOM

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I'LL ADD A LITTLE BI[illegible] WORDS. WHAT BOTH ARE SAYING 405
IS THAT TO THEM SADDAM HUSAYN HAS TO GO. BUT WHAT ARE THE
DITIONS
UNDER WHICH HE GOES. AND WHAT WOULD BE OUR REACTION. DO WE NOT WANT THEM TO TAKE ANYMORE TERRITORY OR IS IT ALRIGHT IF THEY TAKE SOME TERRITORY AND PUT MORE PRESSURE ON THE SITUATION? WHAT IS OUR VIEW OF WHAT THEY CAN DO WITH THIS?

TH: LET ME ANSWER IN GENERAL BECAUSE I DON'T HAVE A SPECIFIC ANSWER FOR YOU. AND I DON'T THINK YOU HAVE A SPECIFIC DEFINITION OF WHAT YOU WOULD CONSIDER VICTORY FOR ME AT THIS POINT. THIS IS WHY OUR RELATIONSHIP IS SO VERY, VERY IMPORTANT.

IM INTERPRETS.

[redacted]

IM: HE WANTS TO KNOW.... THE BOTTOM LINE OF EVERY THING THAT THEY ARE TRYING TO SAY IS THIS THAT WE BOTH AGREE THAT THE FOUNDATION AND BASE OF AN HONORABLE VICTORY MEANS FOR SADDAM TO GO. WE HAVE SAID ENOUGH AND WE BOTH UNDERSTAND THAT. WHAT THEY NEED TO KNOW NOW IS WHAT SHOULD THEY DO FOR US TO TAKE THE NEXT STEP TOWARDS THAT AND HOW. YOU SHOULD COME UP AND SAY... FOR INSTANCE BANG ON THE TABLE AND SADDAM HUSAYN WILL GO OR WHATEVER [illegible] EXPLAIN TO US VERY CLEARLY THE METHOD THAT WE HAVE [illegible] ACHIEVE THIS.

[redacted]

: HE WANTS TO LEAVE THAT WITH YOU AS A VERY IMPORTANT ISSUE, BECAUSE YOUR ANSWER MAY VERY WELL AFFECT THEIR MOVES IN CONNECTION WITH THEIR OFFENSIVE AND THE KILLING OF THE PEOPLE.

RTH: I UNDERSTAND. AND THAT'S WHY WE RAISED THAT ISSUE IN WASHINGTON, WHY THE PRESIDENT HAD ME RAISE IT. THE IDEA THAT THERE HAD TO BE AN HONORABLE PEACE FOR THE ISLAMIC REVOLUTIONARY GOVERNMENT OF IRAN.

KIM INTERPRETS.

RTH: WE ALSO RECOGNIZE THAT SADDAM HUSAYN MUST GO

KIM INTERPRETS.

RTH: I CAN NOT TELL YOU EXACTLY DAY BY DAY OR STEP BY STEP, AS I OUTLINE CERTAIN OTHER STEPS BETWEEN US, HOW THAT WOULD GO. YET THE GENERAL OUTLINE OF IT FOLLOWS THOSE STEPS THAT I GAVE LAST NIGHT.

KIM INTERPRETS.

RTH: WE MUST BE ABLE TO CARRY ON A HIGH-LEVEL DIRECT DIALOGUE WITH THE GOVERNMENT OF IRAN IN SUCH A WAY THAT OUR PEOPLE ARE EVENTUALLY COMFORTABLE WITH IT AND THAT YOUR PEOPLE ARE EVENTUALLY COMFORTABLE WITH IT.

K.A INTERPRETS.

RTH: WE NEED TO START CHANGING THE PERCEPTION OF THE REST OF THE WORLD, PARTICULARLY THE ARAB WORLD, AS TO WHERE WE ARE.

...IS GOING TO BE RECORD.............AIR DEFENSE. ((LAUGHTER)).

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TOP SECRET

[redacted]

T: ((IN PERSIAN)) ON THE LAST DAY MACFARLANE TOLD ME, [redacted] I HOPE YOU KNOW THE MULLA TRADE, BECAUSE YOU MIGHT HAVE TO REMAIN HERE." ((LAUGHTER)).

[redacted]

HAKIM: HE SAID IF HE WERE INVOLVED, HE WOULD HAVE CAUSED KHAMENE'I AND ALL THESE PEOPLE TO PARTICIPATE IN THE MEETING. I SAID, THANK GOD THAT YOU WERE NOT INVOLVED AND THOSE PEOPLE DID NOT PARTICIPATE BECAUSE IF THEY WOULD HAVE, THE DIFFERENCES WOULD HAVE APPEARED AND BECOME VERY EVIDENT, AND THEN YOU HAVE NO MORE THE EXCUSE THAT YOU DIDN'T MEET WITH THE GOVERNING LEVEL, AND HE WOULD NOT BE SITTING HERE TODAY.

Partially Declassified/Released on [illegible]
under provisions of E.O. 12356
by J. Reger, National Security Council

?NORTH?: WELL, THAT'S BESIDE THE POINT. WE RECOGNIZE THAT INSIDE YOUR GOVERNMENT THERE ARE PEOPLE WHO ARE OPPOSED TO THIS RELATIONSHIP. THE SAME THING APPLIES INSIDE OUR GOVERNMENT. AND WHEN YOU CAME AND VISITED US, EVEN AT THE WHITE HOUSE, WHERE THE PRESIDENT LIVES AND WORKS, WE HAD TO BE VERY CAREFUL ABOUT WHO KNEW EXACTLY WHAT WAS GOING ON.

((HAKIM TRANSLATES.))

NORTH: WHEN WE WERE IN TEHRAN, THE REASON THAT THE MEMORANDUM OF UNDERSTANDING THAT WE DRAFTED THAT NIGHT WAS DRAFTED THE WAY IT WAS, WAS BECAUSE WE THOUGHT THAT THAT WAS GOING TO HELP MOVE THAT PROCESS ALONG, AND BECAUSE WE THOUGHT THAT THAT WAS WHAT YOU WANTED US TO DO.

CAVE: WELL, GHORBANIFAR LED US TO BELIEVE THAT....

HAKIM: ((INTERPRETS))

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NORTH: AND SO I'M SURE IT WAS OBVIOUS TO YOU AFTER WE HAD BEEN THERE FOR A WHILE--YOU KNOW I COULD SEE ALL OF THIS WORK GONE TOWARD THE OBJECTIVE THAT I THINK EVERYBODY IN THIS ROOM WANTS TO ACHIEVE, AND THAT IS A STRATEGIC RELATIONSHIP BETWEEN OUR TWO COUNTRIES. BUT OVER THERE, AFTER THE SECOND DAY, I COULD SEE THAT IT WAS GOING DOWN HILL PRETTY QUICKLY. AND I BECAME VERY DESPONDENT. AND AFTER WE RETURNED TO WASHINGTON, THAT MORNING MACFARLANE AND I BRIEFED THE PRESIDENT, AND THE NEXT DAY WE HAD A MEETING IN WHICH TWO OF THE PRESIDENT'S VERY SENIOR ADVISORS, SHULTZ AND WEINBERGER SAID, "STOP IT. DON'T GO ANY FURTHER." AND SHULTZ, IN THE MEETING IN THE PRESIDENT'S OFFICE,--WHICH HE SAW, AND YOU'RE WELCOME TO COME THE NEXT TIME---SHULTZ POINTED OVER TO ME AND SAID, "WE HAVE TO STOP THIS. HE ((NORTH)) DOESN'T KNOW WHO THE HELL HE'S TALKING TO. IT'S NOT THE WAY TO GO. [redacted]

[redacted]

M: ((TRANSLATES, PLUS AN EXPLANATION THAT NORTH HAD MADE THESE SUGGESTIONS SO THAT THE EFFORTS OF THE PREVIOUS FEW YEARS ((SIC)) WOULD NOT BE WASTED.))

NORTH: [redacted]

NORTH: AND I SAID, "I DON'T KNOW WHAT YOU'RE TALKING ABOUT." LET'S GO BACK TO WORK ON BOMBINGS.

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M: ((INTERPRETS))

H: ALL OF THIS TELLS ME.....AND THE SAME THING IS BASICALLY THE SAME FROM [redacted]...

HAKIM: ((INTERPRETS))

NORTH: ALL OF THIS TELLS ME THAT THERE ARE MANY, MANY PEOPLE WHO ARE BECOMING INCREASINGLY AWARE AND CREATING BIGGER VULNERABILITIES.

HAKIM: ((INTERPRETS, ADDING HIS OWN COMMENT ON THE NEED FOR PROMPT ACTION TO BRING UNDER CONTROL ALL OF THE PHONE CALLS.))

NORTH: YES, THAT'S A PART OF IT. BUT IN A BROADER SENSE, IF WE GO BACK TO PHILOSOPHY, IN THE BROADER SENSE, WE HAVE GOT TO GET THIS THING MOVING IN THE RIGHT DIRECTION, SENSIBLY, BEFORE IT LEAKS OUT.

HAKIM: ((INTERPRETS)) ((HIS INTERPRETATION HAD A SLIGHTLY DIFFERENT SLANT, IN THAT HE SAID, "SOONER OR LATER THIS THING IS GOING TO BE EXPOSED. AND IF OUR ACTIONS ARE NOT ON A FIRM AND PROPER COURSE BEFORE IT IS EXPOSED, WE WILL NOT GET ANYWHERE.))

CAVE: ((IN PERSIAN)) WE HAVE TO BE CAREFUL TO KEEP OUR DEALINGS SECRET--TO KEEP THEM FROM BEING DISCOVERED.

[redacted]

H M: ((INTERPRETS)) IN THIS MEETING [redacted] IS SURE THAT ALL THESE ISSUES WILL BE DISCUSSED AND TAKEN CARE OF. THAT IS, THE TELEPHONE CALLS AND ALSO ESTABLISHING A VERY PROFESSIONAL WAY OF CONTINUING WITH OUR RELATIONSHIP.

[redacted]

HAKIM: ((INTERPRETS)) HE SAYS HE HAS A RECOMMENDATION TO MAKE. LET'S GET ON WITH THE SHOW. LET'S START DOING THINGS ABOUT IT, BECAUSE HE IS CONVINCED THAT IF WE WANT TO STICK TO THE ISSUES THAT WE HAVE BROUGHT UP AND HAVE TAKEN PLACE, BOTH PARTIES HAVE MANY STORIES TO SAY.

CAVE: ((COMPLETING THE INTERPRETATION)) A LOT OF HEARTBURN ON BOTH SIDES.

NORTH: DID I REASSURE YOU ABOUT THE TEHRAN BUSINESS? THAT IT IS NOT A PERSONAL THING. IT WAS WHAT WE WERE TOLD BEFOREHAND.

HAKIM: ((INTERPRETS))

CAVE: ((IN PERSIAN)) WE UNDERSTAND THE CAUSE OF THE MISUNDERSTANDING, SINCE EVERYTHING WE *****, CAME FROM GHORBANIFAR ALONE, AND WE WANT YOU TO UNDERSTAND THAT WE NOW UNDERSTAND HOW THIS DISSATISFACTION CAME ABOUT.

[redacted]

HAKIM: ((INTERPRETS)) HE IS REFERRING TO A SESSION--AND HE DOESN'T WANT TO OPEN IT UP UNLESS WANT HIM TO DO THAT NOW--HE SAYS HE'S HOPING THE DIRECTION THE DISCUSSION WENT THAT NIGHT THAT HE CAME TO THE

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AKIM: ((INTERPRETS)) ((IN PERSIAN)) FROM THE BEGINNING IT WAS CLEAR THAT WE WANT TO GO ON A COURSE OF COOPERATION WITH ONE ANOTHER. YOUR NEEDS AND OUR NEEDS BOTH ((WORD UNCLEAR.)) BUT AS OF YET, THERE IS NO PRACTICAL PLAN AVAILABLE, WITH A SCHEDULE AND WITH AN UNDERSTANDING OF THE VARIOUS STEPS WHICH CAN BE SCHEDULED.. ((FEW WORDS)). NOTHING TANGIBLE IS IN HAND.

ORTH: NOW, YOU HAVE ASKED US FOR INTELLIGENCE. WE ARE PREPARED TO PROVIDE, AT LEAST INITIALLY, A START ON THAT INTELLIGENCE. YOU HAVE ASKED US FOR SOME [redacted] WE ARE IN THE PROCESS OF ACQUIRING THOSE [redacted]

AKIM: ((INTERPRETS))

ORTH: WHEN [redacted] WAS IN WASHINGTON A FEW WEEKS AGO, HE ASKED US FOR A LIST OF CERTAIN ITEMS OF MILITARY HARDWARE. SOME OF THOSE ARE EASIER TO DO THAN OTHERS, AND WE ARE PREPARED TO MOVE ON THOSE THINGS.

KIM: ((INTERPRETS))

ORTH: TODAY, YOU ASKED ME FOR SOME MORE INFORMATION. AND I'M GOING TO GO OUT AND GO FIND IT AND GET BACK TO YOU ON THAT.

AKIM: ((INTERPRETS))

ORTH. I THINK THOSE ARE PRACTICAL NEXT STEPS THAT WE CAN TAKE ON OUR SIDE. MY FUNDAMENTAL PROBLEM IS THE SAME ONE THAT WE TALKED ABOUT WHEN [redacted] WAS IN WASHINGTON. WE HAVE IN OUR DEMOCRACY ~~A PERCEPTION PROBLEM OF A MAJOR OBSTACLE THAT SITS IN THE~~ MIDDLE OF THE ROAD OF PROGRESS.

AKIM: ((INTERPRETS))

ORTH. MY SENSE IS THAT IN ORDER TO PROGRESS ON THE VARIOUS ISSUES, IN A WAY IN WHICH WE DO NOT EXPOSE THIS RELATIONSHIP PREMATURELY, OR IN A WAY THAT DOES NOT CREATE A SENSE THAT THE SOVIETS FEEL THE NEED TO INTERVENE -- WITH EITHER THE KGB OR MILITARILY-- WE NEED TO WORK VERY QUIETLY TO ACCOMPLISH CERTAIN THINGS TOGETHER, AND TO BUILD THAT RELATIONSHIP I THINK MUCH THE SAME WAY YOU AND I HAVE TALKED FOR. I WOULD LIKE TO PUT, BASICALLY, A SCHEDULE OF HOW WE GROW THAT RELATIONSHIP TOGETHER, BEFORE MY PRESIDENT WHEN WE GO HOME.

KIM: ((INTERPRETS))

[redacted] AND HAKIM DISCUSS HOW [redacted] SHOULD ANSWER.))

AKIM: GENTLEMEN. I THINK WE ARE COMING TO AN UNDERSTANDING. I FELT THAT ((FEW WORDS UNCLEAR.)) AND I HAD TO DRAW SOMETHING TO EXPLAIN THAT. WHAT HAS HAPPENED, YOU KNOW, ISSUES I REPRESENT IN THE FORM OF BRANCHES... WERE TALKED ABOUT AND ALMOST AGREED ON, BOTH ON THE IRANIAN SIDE AND THE AMERICAN SIDE, THAT THERE WAS NO GODDAMN STEM HERE TO HOOK THESE THINGS TO -- TO GET AT. ((FEW WORDS UNCLEAR.)) AND NOW HE EXPLAINS TO ME THAT, YES HE UNDERSTANDS THAT HE HAS TO DO THAT, BUT THERE ARE IMPORTANT ISSUES THAT YOU HAVE NOT CLARIFIED FOR THEM. THEREFORE THEY CAN NOT COME AND PUT THIS SKELETON TOGETHER FOR THE DISCUSSION. SUCH AS, IT IS NOT CLEAR TO THEM WHAT YOUR POLICY IS IN CONNECTION WITH SADDAM HUSAIN. THE MESSAGE THAT ?WAS SENT WAS A LITTLE BIT UNCLEAR.

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[redacted]

M: HE RAISED THE ISSUE OF THE TOWS THAT ARE TO BE SHIPPED. HE SAID IT IS NOT CLEAR. I SAID THAT I DISAGREE; IT IS VERY CLEAR. WE ALL STUCK OUR NECKS OUT AND STARTED TO PACK THE DAMN THINGS SO WE CAN DELIVER THEM IN THE NEXT EIGHT DAYS.....

[redacted]

AKIM: ((INTERPRETS)) WHAT ARE THESE ITEMS THAT ARE EASY FOR YOU TO HANDLE AND WHAT ARE THE DIFFICULT ONES? WE'RE GETTING TACTICAL HERE. THE ISSUE IS THIS LIST. HE WANTS TO KNOW IF YOU ARE GOING TO GIVE THEM, HOW MANY, AND WHEN. HE WANTS TO BE ABLE TO WRITE IN FRONT OF THESE ITEMS....

ORTH: GO AHEAD AND GO DOWN THE LIST THEN.

AKIM: OKAY. THIS IS THE 108 155'S TOGETHER WITH 500 BARRELS.

RTH: OKAY. YOU'RE TALKING SHIPLOADS OF STUFF. LET ME START AT THE OTHER END. LET'S START IN CHRONOLOGICAL TERMS. BASED ON WHAT, YOU HAVE TOLD ME SEVERAL DAYS AGO.....DID YOU EXPLAIN THE VERY DIFFICULT PROCESS. BECAUSE WE DON'T HAVE A FORMAL DIPLOMATIC RECOGNITION, WE DON'T HAVE F.M.S. SALES, IT IS A VERY DIFFICULT PROCESS WE HAVE TO GO THROUGH TO GET THIS WITHOUT EVERYBODY IN THE WORLD KNOWING WHAT WE'RE DOING. HAS THAT BEEN EXPLAINED?

M: ((ASKS [redacted] IF HE UNDERSTANDS [redacted] SAYS HE DOES.))

~~OKAY. BECAUSE THAT HAS CREATED ENORMOUS COMPLICATIONS WITH MR.~~ GHORBANIFAR AND [redacted] BECAUSE ....

AVE: AND ALSO FOR [redacted]

ORTH: OH YEAH. JUST TERRIBLE PROBLEMS BECAUSE OF THE METHOD THAT WE HAVE TO USE TO OBTAIN THESE ITEMS. BASED ON WHAT YOU HAD TOLD ME SEVERAL DAYS AGO, I PUT MY ASS ON THE LINE WITH THE PARENT COMPANY--A COMMERCIAL COMPANY THAT WE USE TO HIDE THIS--AND WE STARTED ORDERING UP AND PACKING 500 TOWS AND THE REMAINDER OF THE HAWK PARTS THAT WE HAD AVAILABLE.

KIM: ((INTERPRETS)) ,ADDS THAT MATERIAL CAN BE IN TEHRAN WITHIN 8 OR 9 WORKING DAYS.

ORTH: THIS INCLUDES 285 HAWK PARTS AND 500 TOWS. 27 LINE ITEMS AND A TOTAL OF 285 PARTS.

ECORD: PLUS THREE PALLETS OF MEDICAL SUPPLIES.

ORTH: FOR WHICH THERE IS NO CHARGE.

AKIM: ((INTERPRETS))

M: THAT WAS ORDERED. ((THERE WILL BE)) TWO FLIGHTS.

M: ((INTERPRETS)).

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[redacted] ((INAUDIBLE))

AKIM: ((INTERPRETS)) ((FEW WORDS UNCLEAR)) BY [redacted]

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AKIM: ((INTERPRETS)) AND IF THEY DO, IT WILL BE TOO LATE.

[redacted] TELL HIM THAT I'M JUST JOKING.

R 4: WEINBERGER, IN OUR LAST SESSION WITH THE PRESIDENT, SAID, "I DON'T THINK WE SHOULD SEND ONE MORE SCREW--TALKING ABOUT THE HAWK PARTS--UNTIL WE HAVE OUR AMERICANS BACK FROM BEIRUT. BECAUSE WHEN THE AMERICAN PEOPLE FIND OUT THAT THIS HAS HAPPENED, THEY'LL IMPEACH YOU" TALKING TO THE PRESIDENT.

IAKIM: ((INTERPRETS))

ORTH HE AND I WENT THROUGH THE LIST WITH THE GENERAL AND THE ADVICE THAT WE PROVIDED WITHIN THE GUIDANCE THAT THE PRESIDENT HAD GIVEN US. AND, AGAIN, BASED ON WHAT WE KNOW IS GOING ON IN THE REGION, AND WHAT WE EXPECT OF THE IRAQI PLANS, WAS IMPROVE AIR DEFENSE IMMEDIATELY, PROVIDE ANTI-ARMOR DEFENSE; AND GET YOU THE INTELLIGENCE YOU NEED SO THAT YOU DON'T DECIMATE WHAT'S LEFT OF THE PASDARAN; AND THEN SEE WHERE WE'RE GOING BEFORE WE MOVE ANY OF THIS. HE, THE PRESIDENT, DIDN'T SAY NO TO ANY OF THIS.

AKIM. ((INTERPRETS))

ORTH AND WHEN HE'S TALKING ABOUT "SEE WHERE WE GO," WHAT HE IS TALKING ABOUT IS, VERY PRACTICALLY, SEEING WHERE WE ARE GOING WITH THE WAR. THERE'S NO POINT IN YOU SPENDING A BILLION DOLLARS, OR WHATEVER THAT COMES TO ... I HAVE NO IDEA WHAT ALL THAT COSTS ... IF YOU DON'T NEED IT BECAUSE THE WAR IS GOING TO BE OVER.

((INTERPRETS))

[redacted]

AKIM ((INTERPRETS)) COULD YOU GIVE YOUR RECOMMENDATION ABOUT THIS LIST. BECAUSE THIS LIST IS BASED ON AN OPERATIONAL PLAN THAT THEY HAVE.

TH: I UNDERSTAND THAT.

IM AND THEY WANT TO UNDERSTAND YOUR COMMENTS ABOUT THESE LISTS.

TH I THINK, AFTER HE HAS SEEN THE INTELLIGENCE, MY PRAYER FOR THOUSANDS OF YOUNG IRANIAN YOUNGSTERS, IS THAT SOMEBODY THINKS VERY CAREFULLY ABOUT THAT OFFENSIVE. OKAY?

AKIM ((INTERPRETS))

[redacted] AND HAKIM TALK QUIETLY IN BACKGROUND INAUDIBLY.))

((TIME OUT FOR NORTH AND CAVE TO MAKE PHONE CALLS.))

CORD LET ME THEN, WHILE YOU ARE DOING THAT, GO OVER THEN FO[redacted] SOME OF THE THINGS WE SAID IN WASHINGTON ABOUT THIS LIST AND HOW IT RELATES TO THE STEP BY STEP APPROACH TO IT AND THE HOSTAGES.

?: THEIR LIST OR OUR LIST?

C D THEIR LIST.

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RTH THE IMPORTANT THING IS THAT WHAT WE DID WAS LOOK AT THE IMMEDIATE NEEDS. OKAY. I UNDERSTAND THE OFFENSIVE. I UNDERSTAND THE NEED

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WE HAVE DIPLOMATIC RELATIONS

((INTERPRETS))

N H: IF IT BECAME KNOWN WHAT WE ARE GIVING YOU... WHAT WE ARE GIVING YOU SHOWS SOME SIGNIFICANT VULNERABILITIES ON THEIR PART.

.AVE: ((INTERPRETS))

NORTH: IF IT EVER BECAME KNOWN WE HAVE DONE THIS, WE WOULD BE FINISHED IN TERMS OF CREDIBILITY AS LONG AS PRESIDENT REAGAN IS PRESIDENT.

CAVE: ((INTERPRETS))

NORTH: THIS IS EXACTLY WHAT [redacted] ASKED FOR WHEN HE WAS IN WASHINGTON.

CAVE: ((INTERPRETS))

ORTH: THE ONLY DIFFERENCE IS THAT WE DON'T HAVE IT [redacted] BECAUSE WE DIDN'T HAVE THE RIGHT [redacted] AND WE ARE GOING TO GET THEM FOR YOU. THEY ARE ON PLATES AND THEY ARE PRINTING THEM.

CAVE: ((INTERPRETS))

NORTH: OKAY. LAST POINT, AND THEN [redacted] GIVES THE INTELLIGENCE. WE KNOW THAT WE ARE ((WORD MISSED)) WHO KNOWS WHAT [redacted]

A ((INTERPRETS))

[redacted]

CAVE: [redacted]

RTH.

AVE: ((INTERPRETS))

ORTH. THE REASON I TELL YOU THAT IS THAT IF [redacted] PERSONS FINDS OUT THAT WE'VE GIVEN THAT [redacted] TO YOU, WE'RE GOING TO SHUT THIS OFF SO FAST IT WILL HAVE YOUR HEAD SPIN.

AVE: ((INTERPRETS))

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[redacted]

[redacted]

ORTH. YOU SEE WE DON'T KNOW THIS. ARE WE GETTING ENOUGH OUT OF THIS

EXHIBIT OLN-317

UNCLASSIFIED
~~SECRET~~

J 6097

EXHIBIT
OLN-317

SUBJECT: CIA Airline Involvement

In late November 1985, a CIA proprietary airline was chartered to carry cargo to Iran. ~~[illegible]~~ The cargo was described to us as oil drilling spare parts. Although we did not know it at the time, the cargo was actually 18 Hawk missles. The chronolgy of the incident is as follows:

On 22 November ~~1985~~, the NSC contacted the Agency with an urgent request ~~for the name of~~ a discreet, reliable airline that could transport bulky oil-drilling parts to an unspecified destination in the Middle East.

We offered the name of the CIA's proprietary airline as a company which could handle the NSC request. The NSC passed the name of our airline to the ~~NS intermediary with the Iranians~~ Israelis.

Israelis

In the interim, we contacted our airline and told them that they would be receiving an urgent, legitimate charter request. The ~~NSC intermediary~~ contacted the airline that evening (22 November) and made arrangements for the airline to pick-up the parts in [redacted]

operated by CIA proprietary

The destination was changed to Tel Aviv and two ~~of our airline's~~ Boeing 707's arrived in Tel Aviv 23 November. The cargo was ultimately loaded onto only one of the aircraft. Loading was completed by 24 November and the aircraft proceeded to Iran via a stop at [redacted] then overflying [redacted] At the NSC's request, and for the protection of our aircraft, we helped arrange for the overflight clearances.

neither [illegible] nor the Iranians knew

~~To the~~ best of our knowledge, the [~~intermediary~~] ~~did not know~~ that ~~they was~~ dealing with a CIA proprietary, nor did airline personnel know what they were carrying. ~~We in CIA~~ did not find out that our airline had hauled Hawk missles into Iran until mid-January when we were told by the Iranians.

No one in the USG

The airline was paid the normal commercial rate which amounted to approximately $127,700. I should stress that the airline does a considerable amount of normal business in addition to its support to CIA. It had, in fact, made another unrelated charter ~~legitimate~~ flight into Tehran carrying commercial items prior to the 22-25 November incident.

Senior CIA management found out about the flight on 25 November ~~February~~. Although we did not know the nature of the cargo, we thought that any future support of this type to the NSC would require a Finding.

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Partially Declassified/Released on 7 July 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

~~SECRET~~
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EXHIBIT OLN-318

N 5557

BISHOP, LIBERMAN, COOK, PURCELL & REYNOLDS
[illegible]
[illegible]
[illegible]

[illegible]

WRITER'S DIRECT DIAL
(202) 857-9836

November 7, 1986

Mr. J. Robert McBrien
Visiting Scholar
Center for Strategic Studies
1800 K Street, N.W.
Suite 400
Washington, D.C. 20006

Dear Bob:

As you requested in our conversation of last week, I am writing to outline for you the resources available in this firm to assist in resolving the legal questions you raised. The individuals involved may be facing investigations from congressional committees and federal grand juries regarding possible violations of the Neutrality Act and the Arms Export Control Act.

Changes in the make up of the U.S. Senate substantially enhances the likelihood of congressional investigations into the private aid activities of Americans assisting the Nicaraguan Contras. For example, it should be anticipated that the Senate Foreign Relations, Judiciary and Intelligence Committees and their House counterparts will initiate investigations and hold hearings on this subject. It is also likely that there will be renewed efforts through the Congress and the courts to pressure the U.S. Attorney General to appoint a special prosecutor to investigate all possible criminal violations regarding these activities. We believe that our firm is uniquely qualified to defend against legal action of this type because of our broad experience in handling legislative, litigation and criminal matters.

Wayne S. Bishop, the firm's Chairman, would direct all efforts on the part of our firm in defending these actions. Mr. Bishop has participated in defending clients on substantial legal and legislative matters for many years and understands the complexities of such matters as this type; he also is in the best position to direct the firm's resources in the most effective manner. Because of the nature of the matters involved, he would put together a team of lawyers with direct expertise in the legislative, litigative and criminal aspects of your situation.

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I have discussed this at length with Mr. Bishop, and he has personally pledged to me that he would coordinate, staff and direct the entire project.

Legislative Matters

All legislative matters including congressional investigations, hearings and interviews by staff and members of Congress would be directed by Marlow W. Cook, former U.S. Senator from Kentucky. Since leaving the Senate in 1975, Senator Cook has practiced law in Washington and has represented a wide variety of clients before the Congress on many issues. Senator Cook's extensive experience has enabled him to understand all aspects of Congress as well as have a close working relationship with many of the present membership of both houses of Congress.

In addition to Senator Cook, former Representatives Graham Purcell and David Satterfield, who have over 35 years congressional experience between them, will also be available to assist in any matters where appropriate. They would be assisted by firm lawyers trained and experienced through service on legislative committees and the personal staffs of senators and congressmen.

Criminal and Litigation Matters

The firm is particularly well suited to handle any criminal, investigative or litigation matter which could arise under this case. The firm has more than 20 lawyers in its litigation practice group and many come from positions as Assistant U.S. Attorneys and other governmental prosecution bodies. The firm's litigation attorneys have direct experience in defending clients before grand jury investigations and FBI inquiries, as well as in U.S. District Courts. They would be prepared to defend any action or to intervene in any suit which might effect the position of our clients, e.g. suits by members of Congress to compel the U.S. Attorney General to appoint a special prosecutor.

The firm's partners who would be assigned the primary litigation of the criminal aspects of this matter are Mark Davidson and Eric Hirschhorn. Each of these attorneys is fully qualified to deal with the various issues that could arise from such litigation.

Mr. Davidson, has an extensive background in the preparation and trial of criminal matters. Mr. Davidson was previously associated with one of New York City's premier Wall Street firms, Milbank, Tweed, Hadley & McCloy, where he specialised in antitrust and securities litigation. In that capacity, he was involved in the defense of clients in major grand jury investigations and in the trial of white collar criminal actions, involving price fixing and securities fraud. Mr. Davidson also served for three years as Assistant Director of Litigation at the Federal Trade Commission.

Mr. Davidson has recently represented clients before federal grand juries in the Southern District of Florida (West Palm Beach) and the Northern District of California (San Francisco). In recent weeks, he has successfully represented Senator Laxalt's interests, as part of the Senator's $250 million libel action against the Sacramento Bee, in preventing certain FBI files sought by the Bee from being disclosed.

Mr. Hirschhorn, a trade and litigation partner, has extensive experience in handling criminal violations of the Arms Export Control Act as well as various types of actions which involve the intelligence community. In 1975-77, he directed the investigation conducted by the House Government Operations Committee into the National Security Agency and the FBI. From 1977-80 he was an OMB Deputy Associate Director for National Security and International Affairs, where he participated in the government's reorganization study of the intelligence community. Following his OMB service, Mr. Hirschhorn served as Deputy Assistant Secretary for Export Administration at the U.S. Commerce Department. In this position he was responsible for the management of the U.S. export control system (licensing and enforcement).

Since leaving the government in June 1981, Mr. Hirschhorn has been in private practice in Washington, D.C. Most of his practice involves civil and criminal matters relating to controls on militarily significant goods. He also served on the defense team in the espionage case of *United States v Zehe* and *United States v Michaelsen*.

General

In general, the firm has 75 attorneys in Washington. The bulk of there attorneys are involved in federal litigation and legislative matters. This depth permits the firm to apply substantial resources to any major litigative or legislative matter.

We recognize the significant legal problems that are presented in the matter you discussed with me, and our firm's Chairman has committed to the utilization of all the resources necessary to provide the appropriate defense. He has offered to discuss the matter with you and the interested party at any time.

I, of course, remain available to discuss this or any question you have concerning this letter and our firm's resources.

Sincerely yours,

David B. Reiner

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Weekly Compilation of

Presidential Documents

Monday, November 17, 1986
Volume 22—Number 46
Pages 1549–1572

EXHIBIT
OLN-319

er united and committed to this cause, I think we represent a powerful force for humanity. And when that happens, there'll be no sanctuary on Earth for those who were pilfering human dignity and pandering despair.

So, I'm counting on all of you, and I'm looking forward to hearing your views now. Maybe you've heard enough from all of us at this side.

Note: The President spoke at 1:35 p.m. in the Cabinet Room at the White House.

U.S. Ambassadors to 21 countries attended the 2-day conference, which was held at the White House.

Iran-United States Relations

Address to the Nation. November 13, 1986

Good evening.

I know you've been reading, seeing, and hearing a lot of stories the past several days attributed to Danish sailors, unnamed observers at Italian ports and Spanish harbors, and especially unnamed government officials of my administration. Well, now you're going to hear the facts from a White House source, and you know my name.

I wanted this time to talk with you about an extremely sensitive and profoundly important matter of foreign policy. For 18 months now we have had underway a secret diplomatic initiative to Iran. That initiative was undertaken for the simplest and best of reasons: to renew a relationship with the nation of Iran, to bring an honorable end to the bloody 6-year war between Iran and Iraq, to eliminate state-sponsored terrorism and subversion, and to effect the safe return of all hostages. Without Iran's cooperation, we cannot bring an end to the Persian Gulf war; without Iran's concurrence, there can be no enduring peace in the Middle East.

For 10 days now, the American and world press have been full of reports and rumors about this initiative and these objectives. Now, my fellow Americans, there's an old saying that nothing spreads so quickly as a rumor. So, I thought it was time to speak with you directly, to tell you firsthand about our dealings with Iran. As Will Rogers once said, "Rumor travels faster, but it don't stay put as long as truth." So, let's get to the facts.

The charge has been made that the United States has shipped weapons to Iran as ransom payment for the release of American hostages in Lebanon, that the United States undercut its allies and secretly violated American policy against trafficking with terrorists. Those charges are utterly false. The United States has not made concessions to those who hold our people captive in Lebanon. And we will not. The United States has not swapped boatloads or planeloads of American weapons for the return of American hostages. And we will not.

Other reports have surfaced alleging U.S. involvement: reports of a sealift to Iran using Danish ships to carry American arms; of vessels in Spanish ports being employed in secret U.S. arms shipments; of Italian ports being used; of the U.S. sending spare parts and weapons for combat aircraft. All these reports are quite exciting, but as far as we're concerned, not one of them is true.

During the course of our secret discussions, I authorized the transfer of small amounts of defensive weapons and spare parts for defensive systems to Iran. My purpose was to convince Tehran that our negotiators were acting with my authority, to send a signal that the United States was prepared to replace the animosity between us with a new relationship. These modest deliveries, taken together, could easily fit into a single cargo plane. They could not, taken together, affect the outcome of the 6-year war between Iran and Iraq nor could they affect in any way the military balance between the two countries.

Those with whom we were in contact took considerable risks and needed a signal of our serious intent if they were to carry on and broaden the dialog. At the same time we undertook this initiative, we made clear that Iran must oppose all forms of international terrorism as a condition of progress in our relationship. The most significant step which Iran could take, we indicated, would be to use its influence in Lebanon to secure the release of all hostages held there.

Some progress has already been made. Since U.S. Government contact began with Iran, there's been no evidence of Iranian Government complicity in acts of terrorism against the United States. Hostages have come home, and we welcome the efforts that the Government of Iran has taken in the past and is currently undertaking.

But why, you might ask, is any relationship with Iran important to the United States?

Iran encompasses some of the most critical geography in the world. It lies between the Soviet Union and access to the warm waters of the Indian Ocean. Geography explains why the Soviet Union has sent an army into Afghanistan to dominate that country and, if they could, Iran and Pakistan. Iran's geography gives it a critical position from which adversaries could interfere with oil flows from the Arab States that border the Persian Gulf. Apart from geography, Iran's oil deposits are important to the long-term health of the world economy.

For these reasons, it is in our national interest to watch for changes within Iran that might offer hope for an improved relationship. Until last year there was little to justify that hope.

Indeed, we have bitter and enduring disagreements that persist today. At the heart of our quarrel has been Iran's past sponsorship of international terrorism. Iranian policy has been devoted to expelling all Western influence from the Middle East. We cannot abide that because our interests in the Middle East are vital. At the same time, we seek no territory or special position in Iran. The Iranian revolution is a fact of history, but between American and Iranian basic national interests there need be no permanent conflict.

Since 1983 various countries have made overtures to stimulate direct contact between the United States and Iran; European, Near East, and Far East countries have attempted to serve as intermediaries. Despite a U.S. willingness to proceed, none of these overtures bore fruit. With this history in mind, we were receptive last year when we were alerted to the possibility of establishing a direct dialog with Iranian officials.

Now, let me repeat: America's longstanding goals in the region have been to help preserve Iran's independence from Soviet domination; to bring an honorable end to the bloody Iran-Iraq war; to halt the export of subversion and terrorism in the region. A major impediment to those goals has been an absence of dialog, a cutoff in communication between us. It's because of Iran's strategic importance and its influence in the Islamic world that we chose to probe for a better relationship between our countries.

Our discussions continued into the spring of this year. Based upon the progress we felt we had made, we sought to raise the diplomatic level of contacts. A meeting was arranged in Tehran. I then asked my former national security adviser, Robert McFarlane, to undertake a secret mission and gave him explicit instructions. I asked him to go to Iran to open a dialog, making stark and clear our basic objectives and disagreements. The 4 days of talks were conducted in a civil fashion, and American personnel were not mistreated. Since then, the dialog has continued and step-by-step progress continues to be made.

Let me repeat: Our interests are clearly served by opening a dialog with Iran and thereby helping to end the Iran-Iraq war. That war has dragged on for more than 6 years, with no prospect of a negotiated settlement. The slaughter on both sides has been enormous, and the adverse economic and political consequences for that vital region of the world have been growing. We sought to establish communication with both sides in that senseless struggle, so that we could assist in bringing about a ceasefire and, eventually, a settlement. We have sought to be evenhanded by working with both sides and with other interested nations to prevent a widening of the war.

This sensitive undertaking has entailed great risk for those involved. There is no question but that we could never have begun or continued this dialog had the initiative been disclosed earlier. Due to the publicity of the past week, the entire initiative is very much at risk today.

There is ample precedent in our history for this kind of secret diplomacy. In 1971 then-President Nixon sent his national security adviser on a secret mission to China. In that case, as today, there was a basic requirement for discretion and for a sensitivity to the situation in the nation we were attempting to engage.

Since the welcome return of former hostage David Jacobsen, there has been unprecedented speculation and countless reports that have not only been wrong but have been potentially dangerous to the hostages and destructive of the opportunity before us. The efforts of courageous people like Terry Waite have been jeopardized. So extensive have been the false rumors and erroneous reports that the risks of remaining silent now exceed the risks of speaking out. And that's why I decided to address you tonight.

It's been widely reported, for example, that the Congress, as well as top executive branch officials, were circumvented. Although the efforts we undertook were highly sensitive and involvement of government officials was limited to those with a strict need to know, all appropriate Cabinet officers were fully consulted. The actions I authorized were, and continue to be, in full compliance with Federal law. And the relevant committees of Congress are being, and will be, fully informed.

Another charge is that we have tilted toward Iran in the Gulf war. This, too, is unfounded. We have consistently condemned the violence on both sides. We have consistently sought a negotiated settlement that preserves the territorial integrity of both nations. The overtures we've made to the Government of Iran have not been a shift to supporting one side over the other, rather, it has been a diplomatic initiative to gain some degree of access and influence within Iran—as well as Iraq—and to bring about an honorable end to that bloody conflict. It is in the interests of all parties in the Gulf region to end that war as soon as possible.

To summarize: Our government has a firm policy not to capitulate to terrorist demands. That no concessions policy remains in force, in spite of the wildly speculative and false stories about arms for hostages and alleged ransom payments. We did not—repeat—did not trade weapons or anything else for hostages nor will we. Those who think that we have gone soft on terrorism should take up the question with Colonel Qadhafi.

We have not, nor will we capitulate to terrorists. We will, however, get on with advancing the vital interests of our great nation—in spite of terrorists and radicals who seek to sabotage our efforts and immobilize the United States. Our goals have been, and remain, to restore a relationship with Iran; to bring an honorable end to the war in the Gulf; to bring a halt to state-supported terror in the Middle East; and finally, to effect the safe return of all hostages from Lebanon.

As President, I've always operated on the belief that, given the facts, the American people will make the right decision. I believe that to be true now. I cannot guarantee the outcome. But as in the past, I ask for your support because I believe you share the hope for peace in the Middle East, for freedom for all hostages, and for a world free of terrorism. Certainly there are risks in this pursuit, but there are greater risks if we do not persevere.

It will take patience and understanding; it will take continued resistance to those who commit terrorist acts; and it will take cooperation with all who seek to rid the world of this scourge.

Thank you, and God bless you.

Note: The President spoke at 8:01 p.m. from the Oval Office at the White House. The address was broadcast live on nationwide radio and television.

National Philanthropy Day, 1986

Remarks at a White House Briefing for Philanthropists. November 14, 1986

Thank you very much. I have just read a clipping this morning from the United Press that shows how the private sector is spreading and things of this kind in philanthropy; that the First Lady of the Soviet Union has been named to the board of directors of a private, and privately financed, group in the Soviet Union. But I appreciate this opportunity to be with you today in recognition of one of America's greatest national

EXHIBIT OLN-320

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Weekly Compilation of

Presidential Documents

Monday, November 24, 1986
Volume 22—Number 47
Pages 1573–1598

EXHIBIT
OLN-320

But, my friends, that letter may have been addressed to me, but it wasn't written to me alone. It was written also to each of you, to all Americans, and to our allies as well. It was written in thanks to all those who've joined in our bipartisan crusade to make America stronger. And it was written in thanks to all of those who have returned us to our values and reminded us of what they mean in this world. At the National Review dinner last December, I closed my remarks by saying thanks to Bill Buckley for "setting loose so much good in the world." But tonight, Bill, Ernie, Paul, Don, Jeane, and everyone, others far away, thank you, too. Thank you, God bless you all.

Note: The President spoke at 7:32 p.m. in the International Ballroom of the Washington Hilton Hotel.

The President's News Conference of November 19, 1986

Iran-U.S. Relations

The President. Good evening. I have a few words here before I take your questions, some brief remarks.

Eighteen months ago, as I said last Thursday, this administration began a secret initiative to the Islamic Republic of Iran. Our purposes were fourfold: to replace a relationship of total hostility with something better, to bring a negotiated end to the Iran-Iraq war, and to bring an end to terrorism and to effect the release of our hostages.

We knew this undertaking involved great risks, especially for our people and for the Iranian officials with whom we dealt. That's why the information was restricted to appropriate Cabinet officers and those officials with an absolute need to know.

This undertaking was a matter of considerable debate within administration circles. Our policy objectives were never in dispute. There were differences on how best to proceed. The principal issue in contention was whether we should make isolated and limited exceptions to our arms embargo as a signal of our serious intent. Several top advisers opposed the sale of even a modest shipment of defensive weapons and spare parts to Iran. Others felt no progress could be made without this sale. I weighed their views. I considered the risks of failure and the rewards of success, and I decided to proceed. And the responsibility for the decision and the operation is mine and mine alone. As Mr. Lincoln said of another presidential decision, "If it turns out right, the criticism will not matter. If it turns out wrong, ten angels swearing I was right will make no difference."

I understand this decision is deeply controversial and that some profoundly disagree with what was done. Even some who support our secret initiative believe it was a mistake to send any weapons to Iran. I understand and I respect those views, but I deeply believe in the correctness of my decision. I was convinced then and I am convinced now that while the risks were great, so, too, was the potential reward. Bringing Iran back into the community of responsible nations, ending its participation in political terror, bringing an end to that terrible war, and bringing our hostages home—these are the causes that justify taking risks.

In foreign policy the presence of risks alone cannot be reason enough not to act. There were risks when we liberated Grenada, when we went into Lebanon, when we aided the Philippines, and when we acted against Libya. So, we'll continue our efforts. However, to eliminate the widespread but mistaken perception that we have been exchanging arms for hostages, I have directed that no further sales of arms of any kind be sent to Iran. I have further directed that all information relating to our initiative be provided to the appropriate Members of Congress. There may be some questions which for reasons of national security or to protect the safety of the hostages I will be unable to answer publicly. But again, all information will be provided to the appropriate Members of Congress.

And now I'll take your questions. Helen [Helen Thomas, United Press International]?

Q. Mr. President, in the recent past there was an administration whose byword was "Watch what we do, not what we say." How would you assess the credibility of your own administration in the light of the prolonged deception of Congress and the public in terms of your secret dealings with Iran, the disinformation, the trading of Zakharov for Daniloff? And I'd like to follow up.

The President. Well, Helen, let me take the last one first. I know some persist in saying that we traded Zakharov for Daniloff. We did not. We said that we would have no dealings with the Soviet Union, even on going to Iceland, until Daniloff was in our hands.

But to bring it up to date on this, there was no deception intended by us. There was the knowledge that we were embarking on something that could be of great risk to the people we were talking to, great risk to our hostages. And, therefore, we had to have it limited to only the barest number of people that had to know. I was not breaking any law in doing that. It is provided for me to do that. At the same time, I have the right under the law to defer reporting to Congress, to the proper congressional committees, on an action, and defer it until such time as I believe it can safely be done with no risk to others.

And that's why I have ordered in this coming week the proper committees will be briefed on this. And there are still some parts of this that we cannot go public with, because it will bring to risk and danger people that are held and people that we have been negotiating with. We were not negotiating government to government. We were negotiating with certain individuals within that country.

Q. You don't think your credibility has been damaged? And are you prepared now to disavow the finding which let you make end runs around the Iranian arms embargo? Are you going to tear it up?

The President. No, as I say, we are going to observe that embargo. And it's part of the same reason that, as I've said, we were doing this in the first place: And that is to see, among the other issues involved, if we can help bring about peace between those two countries, a peace without victory to either one or defeat and that will recognize the territorial integrity of both. And this is something that all of our allies are seeking also.

But I think the people understand that sometimes you have to keep a secret in order to save human lives and to succeed in the mission, just as we went into Grenada without prior notice, because then we would have put to risk all of those men who were going to hit the beach.

Yes, Mike [Mike Putzel, Associated Press].

Secretary of State Shultz

Q. Mr. President, has Secretary Shultz discussed his resignation with you? Have you agreed to accept it, or have you asked him to stay on?

The President. Mike, he has never suggested to me in our meetings that resignation. And in fact, he has made it plain that he will stay as long as I want him, and I want him. So, there's never been any discussion there. He knows that I want him to stay, and he has, in advance, said that he wants to. There's been no talk of resignation.

Q. If I may follow up, sir: Has he made his staying conditioned on your agreeing not to send further arms to Iran?

The President. No, there have been no conditions. As I say, we didn't discuss that. And as I've said now, there is no need to go further with this. The mission was served that made us waive temporarily that for that really minuscule amount of spare parts and defensive weapons.

Chris [Chris Wallace, NBC News]?

Q. Mr. President, you have stated flatly, and you stated flatly again tonight, that you did not trade weapons for hostages. And yet the record shows that every time an American hostage was released—last September, this July, and again just this very month—there had been a major shipment of arms just before that. Are we all to believe that was just a coincidence?

The President. Chris, the only thing I know about major shipments of arms—as I've said, everything that we sold them could be put in one cargo plane, and there would be plenty of room left over. Now, if there were major shipments—and we know this has been going on—there have been other countries that have been dealing in arms with Iran. There have been also private merchants of such things that have been doing the same thing. Now, I've seen the stories about a Danish tramp steamer and a Danish sailors union officials talking about their ships taking various supplies to Iran. I didn't know anything about that until I saw the press on it, because we certainly never had any contact with anything of the kind. And so, it's just that we did something for a particular mission. There was a risk entailed. And Iran held no hostages. Iran did not kidnap anyone, to our knowledge. And the fact that part of the operation was that we knew, however, that the kidnapers of our hostages did have some kind of relationship in which Iran could at times influence them—not always—but could influence them. And so three of our hostages came home.

Q. But if I may follow up, sir: On that first point, your own Chief of Staff, Mr. Regan, has said that the U.S. condoned Israeli shipments of arms to Iran. And aren't you, in effect, sending the very message you always said you didn't want to send? Aren't you saying to terrorists either you or your state sponsor—which in this case was Iran—can gain from the holding of hostages?

The President. No, because I don't see where the kidnapers or the hostage-holders gained anything. They didn't get anything. They let the hostages go. Now, whatever is the pressure that brought that about, I'm just grateful to it for the fact that we got them. As a matter of fact, if there had not been so much publicity, we would have had two more that we were expecting.

Sam [Sam Donaldson, ABC News]?

Q. Mr. President, when you had the arms embargo on, you were asking other nations, our allies particularly, to observe it—publicly. But at the same time, privately, you concede you were authorizing a breaking of that embargo by the United States. How can you justify this duplicity?

The President. I don't think it was duplicity. And as I say, the so-called violation did not in any way alter the military balance between the two countries. But what we were aiming for, I think, made it worthwhile. And this was a waiver of our own embargo; the embargo still stays now and for the future. But the causes that I outlined here in my opening statement—first of all, to try and establish a relationship with a country that is of great strategic importance to peace and everything else in the Middle East, at the same time, also, to strike a blow against terrorism, and to get our hostages back, as we did. And this particular thing was, we felt, necessary in order to make the contacts that we made and that could lead to better relations with us. And there was a fourth item, also, as I pointed out.

Q. Sir, if I may, the polls show that a lot of American people just simply don't believe you. But the one thing that you've had going for you, more than anything else in your Presidency, your credibility, has been severely damaged. Can you repair it? What does it mean for the rest of your Presidency?

The President. Well, I imagine I'm the only one around who wants to repair it, and I didn't have anything to do with damaging it.

Bill [Bill Plante, CBS News]?

Q. Mr. President, you say that the equipment which was shipped didn't alter the military balance. Yet several things: We understand that there were 1,000 TOW antitank missiles shipped by the U.S. The U.S. apparently condoned shipments by Israel and other nations of other quantities of arms as an ancillary part of this deal—not directly connected, but had to condone it, or the shipments could not have gone forward, sir. So, how can you say that it cannot alter the military balance? And how can you say, sir, that it didn't break the law, when the National Security Act of 1977 plainly talks about timely notification of Congress and also, sir, stipulates that if the national security required secrecy the President is still required to advise the leadership and the chairmen of the intelligence committees?

The President. Bill, everything you've said here is based on a supposition that is false. We did not condone and do not condone the shipment of arms from other countries. And what was the other point that you made here——

Q. There were the antitank missiles, sir.

The President. Oh no, about the—that it didn't—no, that it didn't violate the—or that did violate the law. No, as I've said, the President, believe it or not, does have the power if, in his belief, national security can be served to waive the provisions of that law as well as to defer the notification of the Congress on this.

Q. Isn't it possible that the Iraqis, sir, might think that a thousand antitank missiles was enough to alter the balance of that war?

The President. This is a purely defensive weapon. It is a shoulder-carried weapon. And we don't think that in this defensive thing—we didn't add to any offensive power on the part of Iran. We know that Iraq has already announced that they would be willing to settle the conflict, as we've said, with no winners or losers. And the other parts happened to be spare parts for an antiaircraft Hawk battery. And, as I say, all of those weapons could be very easily carried in one mission.

Now, I think—Charles [Charles Bierbauer, Cable News Network].

Q. Mr. President, I don't think it's still clear just what Israel's role was in this. The questions that have been asked about a condoned shipment. We do understand that the Israelis sent a shipment in 1985, and there were also reports that it was the Israelis that contacted your administration and suggested that you make contact with Iran. Could you explain what the Israeli role was here?

The President. No, because we, as I say, have had nothing to do with other countries or their shipment of arms or doing what they're doing. And, no, as a matter of fact, the first ideas about the need to restore relations between Iran and the United States, or the Western World for that matter, actually began before our administration was here. But from the very first, if you look down the road at what could happen and perhaps a change of government there, that it was absolutely vital for the Western World and to the hopes for peace in the Middle East and all for us to be trying to establish this relationship. And we worked—oh, it started about 18 months ago, really, as we began to find out some individuals that it might be possible for us to deal with and who also were looking at the probability of a further accident.

Trudie?

Q. Can I follow up please, if I may, on that? The contacts that you're suggesting are with moderates in the Iranian Government and in the Iranian system. Barry Goldwater tonight said in his judgment there are no moderates in Iran. I don't mean to suggest that there may not be, but how did you know that you were reaching the moderates? And how do you define a moderate in that kind of a government?

The President. Well, again, you're asking questions that I cannot get into with regard to the answers. But believe me, we had information that led us to believe that there are factions within Iran, and many of them with an eye toward the fact that they think sooner rather than later there is going to be a change in the government there. And there is great dissatisfaction among the people in Iran.

Trudie [Trudie Fieldman, Transfeatures]?

Arms Reduction Negotiations

Q. Mr. President, could we turn to U.S.-Soviet relations for a moment, please?

The President. I'd be delighted. [*Laughter*]

Q. Your chief arms negotiator, Max Kampelman, said that as a result of your meeting with Mr. Gorbachev in Iceland that there indeed were substantial results and agreements. But the leadership of the Soviet Union say that there were no results, nothing positive, and the area is widely scattered still. How do you propose, in the remainder of your term, to close the gap for an agreement?

The President. Well, Trudie, the thing is, about that situation, they are not widely scattered. All the agreements, or the apparent places where we agreed at Reykjavik, are on the table now with our arms negotiators in Geneva. And for the first time there was an agreement reached on the desirability of eliminating all strategic nuclear missiles in a 5-year period and then dealing with the intermediate-range missiles in Germany. And just before the meeting broke up was the first time that—it had always been our purpose, and it was our purpose when we went there, to see if this—these are the destabilizing weapons, these are the weapons that people in their mind can picture someone pushes a button and lot of places blow up. And we always thought that if we could make a start on those, the destabilizing missiles, and then we could work on to the other nuclear weapons—bombs carried by airplanes and so forth. And we had gone there with the express purpose of seeing if we could arrive at some kind of a settlement on one or the other of these other two missile types. And it was just before the meeting broke up that for the first time they suggested that they were talking about all nuclear weapons, not just the others. Well, there was no time for us to discuss them—this new force that was in there.

But I think Mr. Kampelman was saying right—that I just call to your attention that never in the history of the Soviet Union has a Soviet leader ever publicly proposed eliminating weapons they already have. And this Soviet leader has. He has talked actually of totally eliminating them. And so the only thing I can say to this is—I know they are difficult to deal with—but all I can say is they're still at the table in Geneva, and the proposals are still there. So, I continue to be optimistic.

Q. I just want to follow up. Do you think you're going to see Mr. Gorbachev again during your term, or do you think he is thinking that he'll wait for the next President to negotiate an arms control agreement?

The President. Well, I have to believe there is reason for optimism, because he himself suggested the Iceland meeting as a forerunner to the summit that was supposed to take place in the United States. And all I can do is recall that when the Soviets, sometime ago, got up and walked out of the Geneva arms meetings, because we were installing medium-range—the Pershings and the cruise missiles in Europe. And they walked out and said, "That does it." Well, they came back.

Q. Do you have a date——

The President. What?

Q. Do you have a date to meet them again?

The President. No, that's what we're waiting for—is for them to give us a date.

Iran-U.S. Relations

Q. Mr. President, going back over your answers tonight about the arms shipments and the numbers of them, are you telling us tonight that the only shipments with which we were involved were the one or two that followed your January 17th finding and that, whatever your aides have said on background or on the record, there were no other shipments with which the U.S. condoned?

The President. That's right. I'm saying nothing, but the missiles that we sold—and remember, there are too many people that are saying "gave." They bought them.

Andrea [Andrea Mitchell, NBC News]?

Q. Mr. President, to follow up on that: We've been told by the Chief of Staff, Donald Regan, that we condoned—this government condoned—an Israeli shipment in September of 1985, shortly before the release of hostage Benjamin Weir. That was 4 months before your intelligence finding on January 17th that you say gave you the legal authority not to notify Congress. Now, can you clear that up—why this government was not in violation of its arms embargo and of the notification to Congress for having condoned American-made weapons shipped to Iran in September of 1985?

The President. Well, no, I've never heard Mr. Regan say that, and I'll ask him about that. Because we believe in the embargo, and as I say, we waived it for a specific purpose, in fact, with four goals in mind. Yes.

Q. Can I just follow up on that for a second, sir, because what is unclear to, I think, many people in the American public is why—if you are saying tonight that there will be no further arms shipments to Iran—why you won't cancel the January 17th intelligence finding so that you can put to rest any suggestion that you might again, without notification and in complete secrecy and perhaps with the objection of some of your Cabinet members, continue to ship weapons if you think that it is necessary?

The President. No, I have no intention of doing that, but at the same time, we are hopeful that we're going to be able to continue our meetings with these people, these individuals.

Q. But you won't cancel the intelligence finding?

The President. I don't know whether it's called for or whether I have to wait until we've reported to Congress and all. I don't know just what the technicality legally is on that.

Q. Yes, Mr. President. Why do you think—its strategic position not withstanding—the American people would ever support weapons to the Ayatollah Khomeini?

The President. We weren't giving them to the Ayatollah Khomeini. It's a strange situation. As I say, we were dealing with individuals, and we believe that those—and some of those individuals are in government, in positions in government. But it was not a meeting officially of the United States head of state and the Iranian head of state. But these people, we believed, and their closeness to the Iran military was such that this was necessary to let them know, number one, that we were serious and sincere in our effort about good relations and also that they were dealing with the head of government over here, that this wasn't something coming out of some agency or bureau, that I was behind it.

Q. Well, sir, if that's the case, some have asked that if Libya occupied a strategical position as Iran did, would you then arm Qadhafi and bomb Khomeini?

The President. Believe me, that's about as hypothetical a question as anyone could imagine. The situations are quite different.

Q. Mr. President, you said that you were not swapping—or you did not think you were swapping arms for hostages. But did it ever occur to you, or did it never occur to you, that certainly the Iranians would see it that way and that they might take it as an inducement to take more hostages, especially in light of the fact that they've released three but taken three more?

The President. No, to the best of our knowledge, Iran does not own or have authority over the Hizballah.[1] They cannot order them to do something. It is apparent that they, evidently, have either some persuasion—and they don't always succeed—but they can sometimes persuade or pressure the Hizballah into doing what they did in this instance. And as I say, the Iranian Government had no hostages, and they bought a shipment from us. And we, in turn—I might as well tell you that we, in turn, had said when they wanted to kind of know our position and whether we were trustworthy and all of this—we told them that we did not want to do business with any nation that openly backed terrorism. And they gave us information that they did not. And they said also that they had some evidence that there had been a lessening of this on the part of the Khomeini and the government and that they'd made some progress. As a matter of fact, some individuals associated with terrorist acts had been put in prison there. And so that was when we said, "Well, there's a very easy way for you to verify that if that's the way you feel, and they're being held hostage in Lebanon."

Q. Well, if I can follow up: If your arms shipments had no effect on the release of the hostages, then how do you explain the release of the hostages at the same time that the shipments were coming in?

The President. No, I said that at the time I said to them that there was something they could do to show their sincerity. And if they really meant it that they were not in favor of backing terrorists, they could begin by releasing our hostages. And as a matter of fact, I believe and have reason to believe that we would have had all five of them by this last weekend, had it not been for the attendant confusion that arose here in the reporting room.

You don't have your red mittens on.

Q. On that point, you said earlier, and you said just now again, that, but for the publicity, two other hostages would have been returned home by now. As you know, the publicity began in a Syrian-backed, pro-Syrian magazine——

The President. Yes.

Q. ——in Lebanon. My question is, therefore, are you suggesting that someone who was a party to this sabotaged it by deliberately leaking that original report?

The President. To our best information, the leak came from a person in government in Iran and not one of the people that we were dealing with, someone that would be more hostile to us. And that individual gave the story to the magazine, and the magazine then printed the story there in Beirut.

Q. Mr. President, there has been an obvious change in policy towards Iran: from refusing to deal with a terrorist state to even sending weapons as a gesture of good will.

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[1] *Radical Shi'ite group operating in Lebanon.*

Would you consider, in the name of the same geopolitical interest that you invoked with Iran, changing your policy towards Nicaragua?

The President. No, and I believe that I've answered that question, I think, more than once here—that no, we still hold to our position, and Iran officially is still on our list of nations that have been supporting terrorism. But I'm talking about the people that we were doing business with, and they gave us indication and evidence that that policy was changing. And so, as I said, to give them more prestige and muscle there where they were, we made this sale.

Nicaragua

Q. Then, Mr. President, would you consider breaking diplomatic relations with Nicaragua to increase the pressure on the Sandinista government?

The President. No, we have not thought of that, and we still believe very much in supporting the *contras*, because we believe in the *contras* cause. The *contras* have made it plain that all they seek is to be able to put enough pressure on the Sandinista government for that government to negotiate with them and the people of Nicaragua for the kind of government that they altogether had promised when they were fighting the revolution against the Somoza dictatorship. And it was the Sandinistas who, as Communist groups usually do, simply, when the revolution was over, they did everything they could to get rid of their fellow revolutionaries, and they seized power and created a totalitarian Communist State.

Now, the Sandinista—or the *contras* have never proposed overthrowing the government. They have repeatedly offered and said: "We simply want to be able to negotiate and have a chance to have the government installed that we'd promised the Organization of American States we were fighting for." So, I think we continue to help them, but we believe that there is a value in maintaining relations. It gives us a listening post in Nicaragua.

Iran-U.S. Relations

Q. Mr. President, there is a mood in Washington tonight of a President who is very much beleaguered, very much on the defensive. Why don't you seize the offensive by giving your Secretary of State a vote of confidence declaring that all future covert activities will have his support and by shaking up the National Security Council in such a way as to satisfy the concerns in Congress that it has been running a paramilitary operation out of the basement of the White House in defiance of the State Department and the Congress?

The President. The State Department—or the Secretary of State was involved, the Director of the CIA was involved, in what we were doing and, as I said before, there are certain laws in which, for certain actions, I would not have been able to keep them a secret as they were. But these people you've mentioned have been involved—do know what was going on. And I don't see that the action that you've suggested has called for it. But what you've disappointed me the most in is suggesting that I sound defensive up here. I've just been trying to answer all your questions as well as I can. And I don't feel that I have anything to defend about at all. With the circumstances the way they were, the decision I made I still believe was the correct decision, and I believe that we achieved some portion of our goals.

Q. Mr. President, do you believe that any of the additional hostages will be released?

The President. I have to believe that.

Q. And during any of these discussions with your administration, was there ever any hint or suggestion that these weapons might be used to topple the Ayatollah?

The President. No, and I don't see in any way how that could be, with the particular things that we were using. I don't see where the Ayatollah could be a logical target for an antiaircraft missile or even for a TOW missile for that matter.

Q. Mr. President, you made an exception for the arms embargo when you thought it was in the U.S. interest to do so. Why shouldn't other nations ship weapons to Iran when they think it's in their interests?

The President. Well, I would like to see the indication as to how it could be in their interest. I know that there are other nations that feel as we do that the Western World should be trying to find an avenue to get Iran back where it once was—and that is in the family of democratic nations and the family of nations that want peace in the Middle East and so forth.

Q. How, Mr. President—if I may follow up—how does shipping weapons to Iran help bring them back into the community of nations? You've acknowledged that you were dealing with only a small portion of the government?

The President. I was talking of strengthening a particular group who needed the prestige that that could give them, who needed that, well, that bargaining power, themselves, within their own ranks.

Jerry [Jeremiah O'Leary, Washington Times]?

Q. Mr. President, I believe you may have been slightly in error in describing a TOW as a shoulder-mounted weapon. It's a ground-to-ground weapon. Red-eye is the shoulder weapon, but that's beside the point. TOW's are used to destroy tanks.

The President. Yes, I know, Jerry, I know it's a tank weapon.

Q. I don't think it's fired from your shoulder.

The President. Well, now—[*laughter*]—if I have been misinformed, then I will yield on that. But it was my understanding that that is a man-carried weapon, and we have a number of other shoulder-borne weapons.

Q. I did have a question, though. [*Laughter*]

The President. You mean that wasn't a question? [*Laughter*]

Q. No, sir, I thought I knew what a TOW was.

I just wanted to ask you what would be wrong at this stage of the game, since everything seems to have gone wrong that could possibly go wrong, like the Murphy Law, the Reagan Law, the O'Leary Law, this week—what would be wrong in saying that a mistake was made on a very high-risk gamble so that you can get on with the next 2 years?

The President. Because I don't think a mistake was made. It was a high-risk gamble, and it was a gamble that, as I've said, I believe the circumstances warranted. And I don't see that it has been a fiasco or a great failure of any kind. We still have those contacts. We still have made some ground. We got our hostages back—three of them. And so, I think that what we did was right, and we're going to continue on this path.

Federal Aid to the Homeless

Q. Mr. President, Mr. President, please one domestic question, would you please? Sir, this is the question——

The President. Helen, will you yield to this?

Q. This is a question that will not wait. It's cold weather out there, and the growing number of hungry and cold people who are homeless in all of our cities—and these volunteers that you urge to take part in this and try to help have now made their surveys across the Nation. They've come back and said we can't feed the hungry and take care of the homeless by ourselves. We've got to have Federal help. You have no policy in the White House, I believe, to do this, and you're now just leaving this to local government and local groups. They can't take care of it. Won't you please give us a federally coordinated program with long-time planning?

The President. I think that in things of that kind we are still spending more than has ever been spent before trying to help the needy. I will be very pleased to look into that particular facet and see if there is some snafu there, but I don't think so. But I do think that many of these programs are being undertaken at a State and at a local level and with the aid of Federal financing. But I'll look into it.

Q. They're doing a great job, sir, but they simply say themselves—the churches, the nonprofits—we can't do it sufficiently. The number is growing so rapidly. They've got to have Federal help.

The President. No, well, as I'm saying, I'm going to find out, because I think and believe that there is such help. I just read this morning in the paper about a needy family in New York that is being put up in a hotel, and the cost to welfare just for the rent of the hotel room is $37,000 a year. And I wonder why somebody doesn't build them a house for $37,000?

Note: The President's 39th news conference began at 8:01 p.m. in the East Room at the

White House. It was broadcast live on nationwide radio and television.

Before answering the last series of questions, the President addressed Helen Thomas, who as the senior member of the White House press corps indicates when the news conference has ended.

Iran-United States Relations

Statement by the President.
November 19, 1986

There may be some misunderstanding of one of my answers tonight. There was a third country involved in our secret project with Iran. But taking this into account, all of the shipments of the token amounts of defensive arms and parts that I have authorized or condoned taken in total could be placed aboard a single cargo aircraft. This includes all shipments by the United States or any third country. Any other shipments by third countries were not authorized by the U.S. Government.

Note: The President's statement refers to his news conference.

The National Floral Emblem of the United States of America
The Rose

Proclamation 5574. November 20, 1986

By the President of the United States of America

A Proclamation

Americans have always loved the flowers with which God decorates our land. More often than any other flower, we hold the rose dear as the symbol of life and love and devotion, of beauty and eternity. For the love of man and woman, for the love of mankind and God, for the love of country, Americans who would speak the language of the heart do so with a rose.

We see proofs of this everywhere. The study of fossils reveals that the rose has existed in America for age upon age. We have always cultivated roses in our gardens. Our first President, George Washington, bred roses, and a variety he named after his mother is still grown today. The White House itself boasts a beautiful Rose Garden. We grow roses in all our fifty States. We find roses throughout our art, music, and literature. We decorate our celebrations and parades with roses. Most of all, we present roses to those we love, and we lavish them on our altars, our civil shrines, and the final resting places of our honored dead.

The American people have long held a special place in their hearts for roses. Let us continue to cherish them, to honor the love and devotion they represent, and to bestow them on all we we love just as God has bestowed them on us.

The Congress, by Senate Joint Resolution 159, has designated the rose as the National Floral Emblem of the United States and authorized and requested the President to issue a proclamation declaring this fact.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim the rose as the National Floral Emblem of the United States of America.

In Witness Whereof, I have hereunto set my hand this twentieth day of November, in the year of our Lord nineteen hundred and eighty-six, and of the Independence of the United States of America the two hundred and eleventh.

Ronald Reagan

[Filed with the Office of the Federal Register, 11:02 a.m., November 21, 1986]

President's Commission on Executive Exchange

Executive Order 12574. November 20, 1986

ESTABLISHING AN EXPERIMENTAL PROGRAM WITHIN THE PRESIDENT'S COMMISSION ON EXECUTIVE EXCHANGE

By the authority vested in me as President by the Constitution and statutes of the United States of America, including the Ex-

EXHIBIT OLN-321

UNCLASSIFIED

11/23/86

EXHIBIT
OLN-321

Ollie North - A.L., WBR, CSC, JR

Ledeen - Consultant to NSC and to OH - since prior to '85
- Came to North and talked about "Israeli" proposal - contacts with Iran
  - Introduced OH to Schwimmer - met with him and got [redacted] on his plane

McFarland -
- Had call from McF; McF had call from Rabin and told he had problem in moving materials to Iran
  - OH talked to Rabin - R. said need help in moving items to support our rapprochement with Israelis; wanted clearance [redacted]
    - R. military attache said oil equipment
    - Shipment loaded
  - OH contacted D. Clarridge; got proprietary plane and transported equipment
    - later learned it was Hawk missiles
  - Meeting in Dec. '85 - Secord, McF, Kimche, Schwimmer, Gorbanifar, Nimrodi, North
    - Had talked of incentives; anything done could not be seen as linkage for arms
- OH had no knowledge of Sept. shipment.

Partially Declassified/Released on 6 Jul 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

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· "Sistine" meeting of B. McF & Kimche

· Kimche said much access of going to
talk to Iranians; But said this can't
be premised on guns for hostages

· Second report on how screwed up
that transaction was <first days of Dec.>

Reported to John P and B. McF. ←

· OLN asked Clair George or Dewey
Clarridge that shipment had come

· OLN has no knowledge of "retroactive" finding -
senses activity on finding in ~~[illegible]~~ mid Dec. but
not before

· Talked to B McF on plane trip for
lunch

· Meeting at Casey house. Casey, North,
Sporkin, Clair George, Gates

508 TOW missiles - Aug/Sept <Bud McF. to Kimche>

· OLN found out sometime in Oct.; but had
been told of transfer by Ledeen earlier

Return of Hawks

· Not aware we were furious, but aware
Iranians were not pleased <overflight>

· Real problem was Israelis paying
money back

· OLN told to get Hawks back - by Bud ((

Replenishment of TOWs

· Was first raised on Dec. 2

· Replenishment in May, 1986

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Feb transaction - 1000 TOWs

$: Iranians to Israelis to Israeli Swiss acct to CIA acct to DoD

Nov - Jan 1986

Meeting with ON - said Israelis would Desire to take funds from residual acct and transfer to Nicaraguan acct

[Also Feb. transaction]

Jan ?

[redacted] in meeting - blew up over [illegible] transfer

He seemed to be convinced we understood the [illegible] OR TOWs [redacted] transfer

Replenishment of SDB

· Agreed in Spirit

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EXHIBIT OLN-322

UNCLASSIFIED

[redacted]

N 42468

THE WHITE HOUSE
WASHINGTON

JMP
Pls hold on to this.

[redacted]

Partially Declassified/Released on 22 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

[redacted]

12/12/85

Admiral —

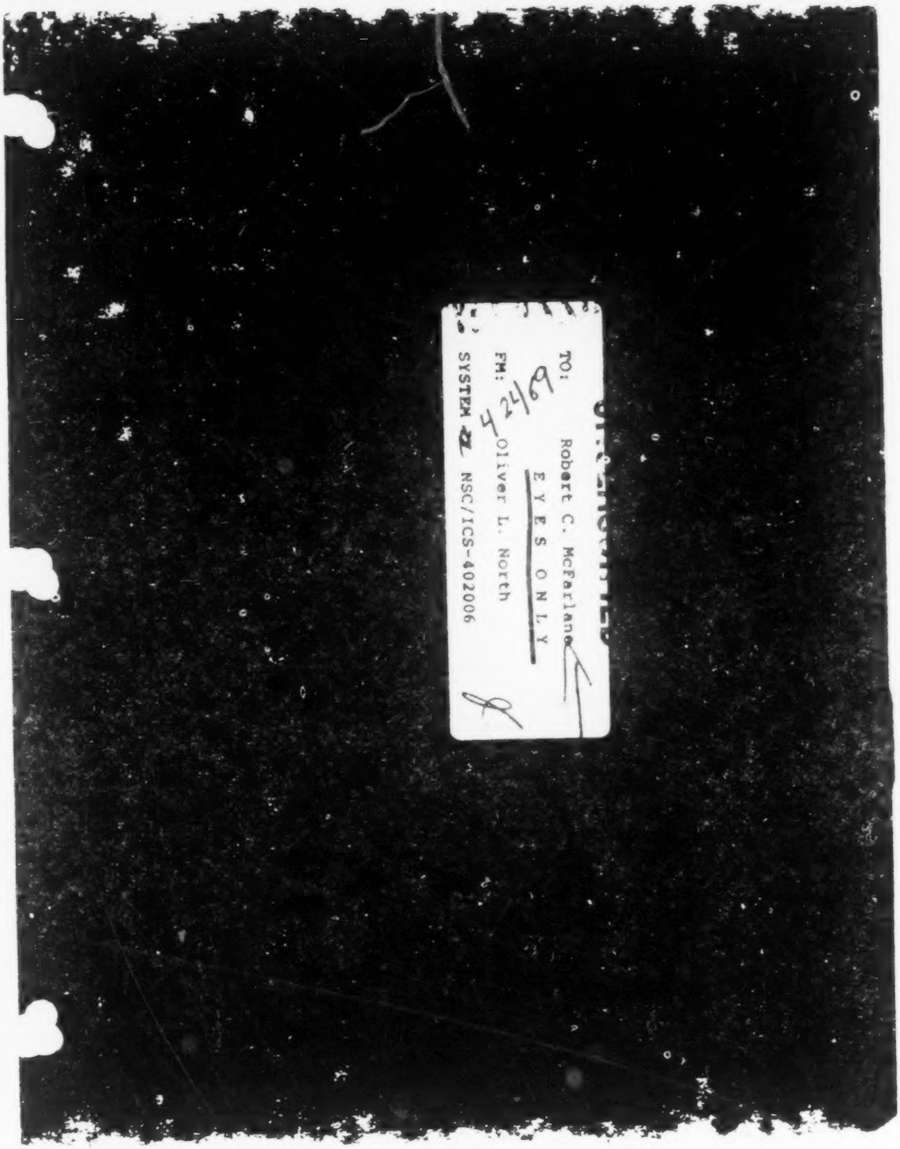
Am returning to you from
Ron's file

Wil

(1187)

POF 3.2
4/17/87
lk

EXHIBIT
OLN-322



TO: Robert C. McFarlane

EYES ONLY

FM: Oliver L. North

4 24/69

SYSTEM II NSC/ICS-402006

SYSTEM IV NSC/ICS-402006N

NCLASSIFIED

EYES ONLY

1317

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[redacted]

N 42471

National Security Council
The White House

System # Sq IX
Package # NSC/ICS 402006

	SEQUENCE TO	HAS SEEN	DISPOSITION
Paul Thompson			
Bob Kimmitt			
John Poindexter	1	P	–
Tom Shull			
Wilma Hall			
Bud McFarlane	2		
Bob Kimmitt			
NSC Secretariat			
Situation Room			
JP	3		

[redacted]

I = Information A = Action R = Retain D = Dispatch N = No further Action

cc: VP Meese Baker Deaver Other

COMMENTS Should be seen by:
(Date/Time)

UNCLASSIFIED

Bud,
I learned of this through Ollie's report. I don't think Constantine

I agree. This is sufficient grounds for [illegible] [illegible] to schedule time for me [illegible]. Bud.

To	Name and Address	Date	Initials
1	Robert McFarlane		
2			
4			
5			
6			

X	ACTION		FILE
	APPROVAL		INFORMATION
	COMMENT		PREPARE REPLY
	CONCURRENCE		RECOMMENDATION
	DIRECT REPLY		RETURN
	DISPATCH		SIGNATURE

REMARKS:

cc: Oliver North (#2 and 3)
Jim Radzimski (#4)

~~SECRET~~ EYES ONLY

UNCLASSIFIED ~~SECRET~~

N 42472

NSC/ICS CONTROL NO. 402006

COPY NO 1 OF 4

HANDLE VIA SYSTEM IV CHANNEL ONLY

NSC INTELLIGENCE DOCUMENT

Warning Notice
Intelligence Sources and Methods Involved
NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

UNCLASSIFIED ~~SECRET~~

~~SECRET~~ EYES ONLY

~~SECRET~~

MEMORANDUM

SYSTEM IV
NSC/ICS-402006

NATIONAL SECURITY COUNCIL

~~SECRET~~ UNCLASSIFIED

December 4, 1984

ACTION

N 42473

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: Confusion in the Nicaraguan Resistance

Adolfo Calero advises that this weekend a three hour meeting with held among Bosco Matamoros (local FDN representative), Constantine Menges, Jackie Tillman, and Bob Reilly. According to Calero, the purpose of the meeting was to address the strategy for Congressional and public diplomacy action for a resumption of USG support to the Resistance. Calero reports that as a result of this meeting:

-- Matamoros sent a 22 page telegram (hopefully encoded) to FDN headquarters in [redacted]

-- The telegram specified that North was no longer involved in this endeavor and that a more forceful effort would be made to reinitiate funding between now and February.

-- Congressional contacts were being worked out and a detailed strategy would be forthcoming.

-- It was obvious that the State Department was opposed to any resumption of assistance, but that Kirkpatrick, Casey, and Weinberger would ensure that the program obtained renewed support.

Calero was pulled from the field in Nicaragua to receive this message. He was, to say the least, distressed and confused. Not only was he placed at risk in moving back [redacted] he feels that the mixed signals he is receiving portends serious problems within the Administration. He notes that [redacted] requested his urgent presence last week in [redacted] for a meeting with a "high-level" U.S. official and that the meeting did not take place. Aside from these "cryptic orders [redacted] he receives no advice, intelligence, or support. Now he is being "told of discord" about the "worthiness" of the FDN and the possibility that the Administration may not ask the Congress renew support.

~~SECRET~~
Declassify: OADR

~~SECRET~~ UNCLASSIFIED

~~SECRET~~

~~SECRET~~ UNCLASSIFIED 2

N 42474

Up to this point, Calero has been told that we had every intention of making another try at the Congress. He is fully aware of the constraints imposed in the Continuing Resolution, but has never been apprised of any internal debate on the merits of whether or not we would pursue a further attempt to obtain funds for the Resistance movement. While I may not have been fully open with him on this matter, it did not seem to be relevant to his other important tasks given current funding arrangements. Yesterday's missive from Matamoras has now sown doubt which did not need to exist.

Calero has too much on his mind to be burdened with our internal differences. It is unfortunate that we now seem to have so many voices speaking for our intentions. Before this goes any further, it would seem appropriate to clarify the roles various people will be playing in the days ahead.

RECOMMENDATION

That you review the points above and indicate your direction on who should be saying what to whom.

Approve _____ Disapprove _____

UNCLASSIFIED

~~SECRET~~ ~~SECRET~~

EXHIBIT OLN-323

MEMORANDUM

UNCLASSIFIED

NATIONAL SECURITY COUNCIL

NSC/ICS-402006

~~SECRET~~

ACTION

December 4, 1984

N 32859

EXHIBIT
OLN-323

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: Confusion in the Nicaraguan Resistance

Adolfo Calero advises that this weekend a three hour meeting with held among Bosco Matamoros (local FDN representative), Constantine Menges, Jackie Tillman, and Bob Reilly. According to Calero, the purpose of the meeting was to address the strategy for Congressional and public diplomacy action for a resumption of USG support to the Resistance. Calero reports that as a result of this meeting:

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-- Congressional contacts were being worked out and a detailed strategy would be forthcoming.

-- It was obvious that the State Department was opposed to any resumption of assistance, but that Kirkpatrick, Casey, and Weinberger would ensure that the program obtained renewed support.

Calero was pulled from the field in Nicaragua to receive this message. He was, to say the least, distressed and confused. Not only was he placed at risk in moving back[redacted], he feels that the mixed signals he is receiving portends serious problems within the Administration. [redacted] he receives no advice, intelligence, or support. Now he is being "told of discord" about the "worthiness" of the FDN and the possibility that the Administration may not ask the Congress renew support.

1881

~~SECRET~~
Declassify: OADR

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Partially Declassified/Released on 8 July
under provisions of E.O. 12356
by K. [illegible], National Security Council

UNCLASSIFIED

~~SECRET~~

N 32859

Up to this point, Calero has been told that we had every intention of making another try at renewed support from Congress. He is fully aware of the constraints imposed in the Continuing Resolution, but has never been apprised of any internal debate on the merits of whether or not we would pursue a further attempt to obtain funds for the Resistance movement. While I may not have been fully open with him on this matter, it did not seem to be relevant to his other important tasks given his current funding problems. Yesterday's missive from Matamoras has now sown doubt which did not need to exist.

Calero has too much on his mind to be burdened with our internal differences. It is unfortunate that we now seem to have so many voices speaking for our intentions. Before this goes any further, it would seem appropriate to clarify the roles various people will be playing the days ahead.

RECOMMENDATION

That you review the points above and indicate your direction on who should be saying what to whom.

Approve _____ Disapprove _____

EXHIBIT OLN-324

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WASHINGTON, D.C. 20006
AREA CODE 202
331-5000

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STEPHEN D. RABER**

COUNSEL
LYMAN G. FRIEDMAN
DONALD E. SCHWARTZ

* MEMBER PA BAR ONLY
** MEMBER MD BAR ONLY
*** MEMBER CA BAR ONLY

December 2, 1986

BY HAND

Cdr. Paul B. Thompson, USN
General Counsel
National Security Council
The White House
Washington, D.C. 20506

Dear Commander Thompson:

LtCol North is herewith delivering documents to NSC. In order to insure that the documents are preserved, the pages have been number-stamped 1 through 168, inclusive.

Also delivered are the WHCA Motorola PageBoy, the Motorola hand-held portable telephone, and the NSC Government Transportation Request (GTR D-7,363,999) issued to LtCol North.

Would you please arrange for the return of LtCol North's personal property which is located in his office. He is particularly interested in the prompt return of his Marine Corps uniform items, family photos and other personal effects.

Thank you.

Sincerely yours,

Brendan V. Sullivan, Jr.

Brendan V. Sullivan, Jr.
Attorney for LtCol Oliver L. North

BVS:lng
cc: Ms. Brenda Rege.
Security Officer

EXHIBIT
OLN-324

EXHIBIT OLN-325

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EXHIBIT
OLN-325

AFFIDAVIT

COMES NOW AFFIANT ROBERT B. OAKLEY, who states as follows:

1. My name is Robert B. Oakley, and my current position is Senior Director of Middle Eastern, South Asian, and North African Affairs for the National Security Council.

2. From September of 1984 to September of 1986, I served as Director of the Office of Counterterrorism and Emergency Planning, Department of State. My title was Ambassador-at-Large for Counterterrorism. My responsibilities included coordination of activities regarding international terrorism and the United States response to terrorism.

3. I recall conversations in November 1985 with Lt. Col. Oliver North (North) regarding a problem with [redacted] flight clearances. To the best of my recollection and belief, these conversations included the following:

   a. North stated that he was aware of Israeli arms shipments to Iran in exchange for certain intelligence [redacted] North indicated that he had discovered this relationship when "one of his people" went to an arms warehouse [redacted] to obtain arms for the Nicaraguan Resistance, and learned that the Israelis had been obtaining arms from the same source for shipment to Iran.

Partially Declassified/Released on 6 July 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

CLASSIFIED BY: WHC
DECLASSIFY ON: OADR

UNCLASSIFIED

1432

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b. North stated that a problem had been encountered with [redacted] on getting flight clearance rights for shipping the HAWK missiles through [redacted]

c. North stated that Secretary of State George Shultz was "aware" of this matter and that National Security Advisor Robert McFarlane was in overall charge of the operation, had been contacted in Geneva (where he was with the President and the Secretary of State) and had agreed to help get the flight clearances, if necessary by his personal intervention. Based upon these assurances by North, I authorized him to communicate with the United States Embassy [redacted] and to advise it that the Department of State was "aware" of the matter and the Embassy could request clearances.

d. At no time during this conversation did North mention "oil drilling equipment" as the cargo involved.

4. I recall an Operational Sub Group (OSG) meeting with North on or about May 22, 1986, at which North discussed [redacted] release of the American hostages. To the best of my recollection and belief, that conversation included the following:

a. North stated that he was going to be travelling

UNCLASSIFIED

-3-

to London [redacted] [redacted] to Cyprus. He indicated [redacted] had arranged for a $10 million contribution [redacted]

b. North stated that once the money was transferred, the American hostages would be released.

c. North did not mention any planned trip to Teheran, Iran, nor any arms transactions that may have been contemplated at the time.

d. I advised the Executive Secretary of the Department of State, Nicholas Platt, of my conversation with North and the information he had provided. I advised Platt that, based on North's recitation, I was hopeful that our American hostages would be released in the near future.

I declare under penalty of perjury that the foregoing is true and correct.

Robert B. Oakley
Robert B. Oakley

July 2, 1987
Date

UNCLASSIFIED

EXHIBIT OLN-326

N 5518

1 OBJECTIVE

To create a conduit for maintaining a continuous flow of Soviet weapons and technology, to be utilized by the United States in its support of Freedom Fighters in Nicaragua, Afghanistan, Angola, Cambodia, Ethiopia, etc.

2. **PROBLEM**

With each passing year, Congress has become increasingly unpredictable and uncooperative regarding the President's desire to support the cause of the Freedom Fighters, despite growing Soviet oppression. The funds have not been forthcoming to supply sufficient arms necessary for the Freedom Fighters to win. Therefor, in leiu of the necessary funding to support this goal, the following 3-Way Trade is proposed:

3. **PROPOSAL**

COUNTRY "A": [redacted]. [redacted] is capable of producing an ongoing supply c Soviet-compatible arms. [redacted] is at the same time trying desparately upgrade their own military forces and equipment. They would like to purchase fr [redacted] a wide range of military equipment.

COUNTRY "B": [redacted]. [redacted] would like to sell to [redacted], but Israel's econor is not capable of supporting long-term credit or barter agreements. As such, t United States is the key in the successful 3-Way Trade.

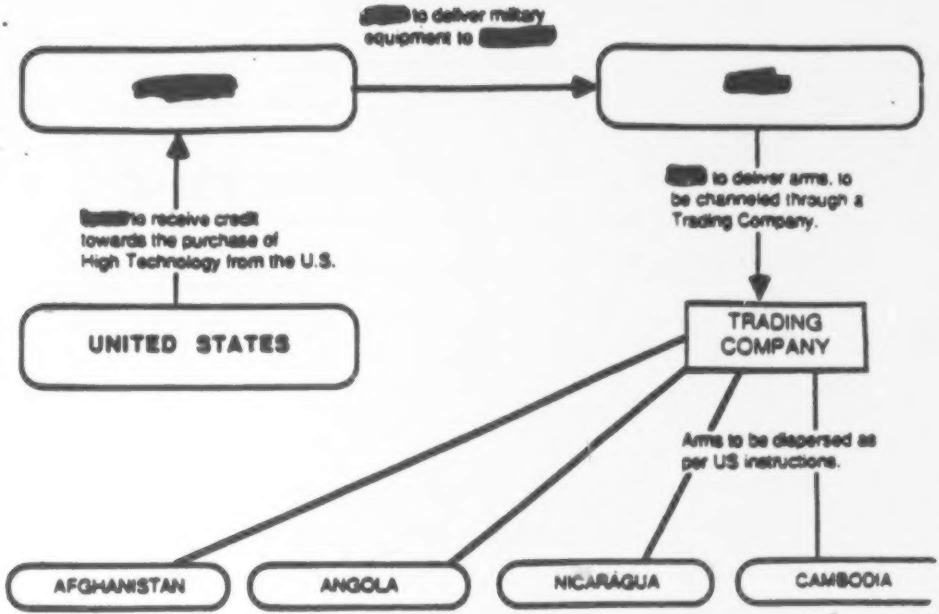
COUNTRY "C": UNITED STATES. The United States is able to provide Israel w desired High Technology equipment and information. Based on this commodit the Trade would operate as follows:

PAPERCLIP TO 2034

EXHIBIT
OLN-326

N . 5519

3 WAY TRADE


[redacted] to deliver military equipment to [redacted]
[redacted]
[redacted]
[redacted] to receive credit towards the purchase of High Technology from the U.S.
UNITED STATES
[redacted] to deliver arms, to be channeled through a Trading Company.
TRADING COMPANY
Arms to be dispersed as per US instructions.
AFGHANISTAN
ANGOLA
NICARAGUA
CAMBODIA

4. RESULTS

[redacted]sells equipment, which in many cases sits stockpiled at present, to [redacted] In return, [redacted]receives from the United States equipment and technology that it could not otherwise afford to purchase.

[redacted] receives much-needed modernization for its forces, thereby presenting a stronger threat to the Soviet Union. In return, [redacted] exports an ongoing supply of domestically manufactured arms, as per directions from the United States.

The United States then has at its disposal a large and continuous supply of Soviet technology and weapons to channel to Freedom Fighters worldwide, mandating neither the consent or awareness of the Department of State or Congress.

The United States would be in a position to dispense these shipments through a neutral Foreign Trading Company, established solely for this purpose.

China would only be aware of the fact that it is to ship to the Trading Company such specified goods as requested, comparable in USD value to the equipment received from Israel. China would not be aware of the final destinations of any of the exported arms.

Israel would only be aware of the buying power extended by the United States for US technology, again in comparable USD value to the equipment sent to [redacted]

The United States at present holds to a policy of providing assistance to [redacted], a goal which would be forwarded through this transaction. Likewise, the United States is committed to extending financial and technological assistance to the State of [redacted]. This too would be accomplished. There are many avenues available regarding the forms of credit which could be extended to Israel.

We have received confirmation from [redacted] and [redacted] that they are most interested in pursuing their role in this trade arrangement. Upon your encouragement and belief that the United States could perform its role, we will proceed with [redacted] and the [redacted] defining their respective roles and the equipment they are willing to trade. This will serve to establish our initial parameters of equipment quantities, and the proportionate amount of credit required.

EXHIBIT OLN-327

S 4549

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EXHIBIT
OLN-327

Rel'd 6/30
however
passed by S

Acct #: [368 430-22-1]
Credit Suisse Bank
Eaux Vives Branch
Geneva, Switzerland
Attn. Mr. Jacob Steger
TELEX 22805
Answerback: CSGI CH

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Lake Resources Inc.
Acct# 386 430-22-1
Credit Suisse Bank
Eaux Vives Branch
Geneva, Switzerland
Attn. Mr. Jacob Steger
TELEX 22805
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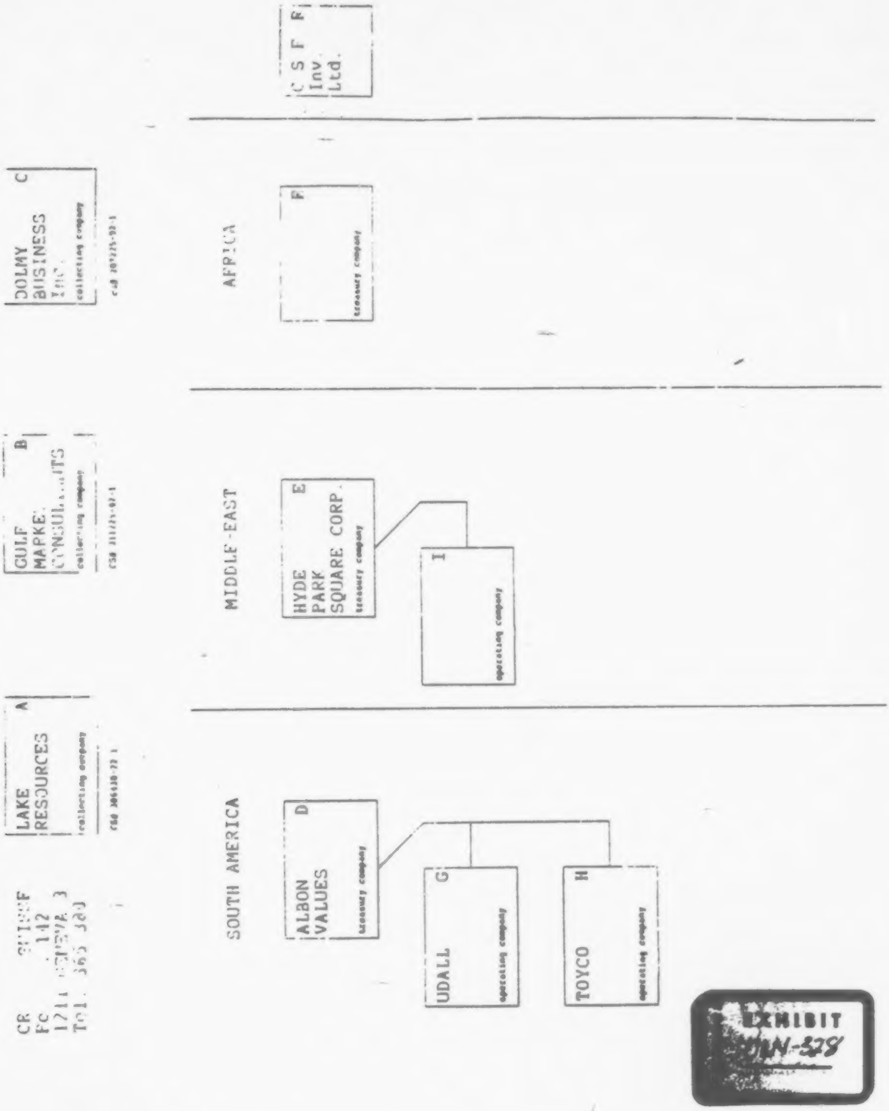
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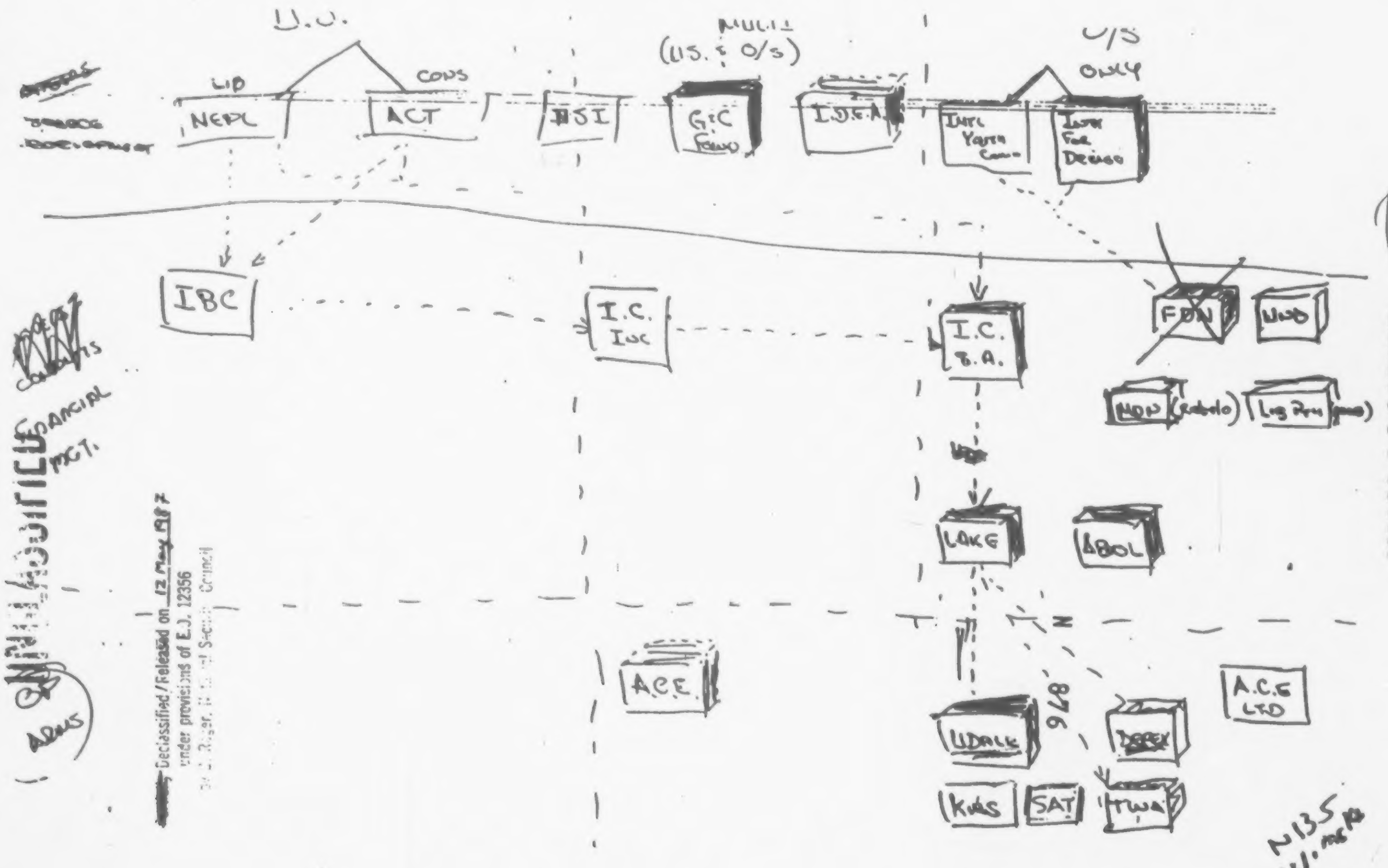
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  - Comms
  - Spec. Ops. Dets.

- Maritime Ops. Co.

4)
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- Materiel Co. Inc.

5)
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4 [illegible] The Export Administration Act of 1979,
B 50 U.S.C. app. §§ 2401–2420 (1976 + Supp III 197[illegible]
(EVOLVED OUT of THE EXPORT CONTROL ACT of
1949), ~~ch. 11, § 1, 63 stat 7 (1949)~~
See § 2405(j) and (l)

3 [illegible] Arms Export Control Act, 22 U.S.C §§ 2751–279[illegible]
C (1976 + Supp II 1978)
o United States Munitions List
22 CFR § 121.01 (1982)
5 [illegible] "International Traffic in Arms Regulatn
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L (12) 50 U.S.C. § 413 Congressional oversight
(Reports to Congressional committees of current + proposed activities

M (13) 22 U.S.C. §2422 Intelligence ACTIVITIES
(Presidential Findings)

A (1) Omnibus Diplomatic Security and Antiterrorism
Act of 1986, 22 U.S.C. 4801
See § 509 (amends Arms Export
Control Act 22 USC 2771-2779 by adding
a new §)

J (10) National Emergencies Act 50 U.S.C. 1601

K (11) Int'l Eco Emergency. Powers Act 50 U.S.C.

(9) Exec Order 12470 of March 30, 1984
I Continuation of Export Control Regs

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7 6 G. Rules and Regulations Dept of Commerce 15 CFR 385, 390, and 399 Foreign Policy Controls on Exports to Iran of Aircraft, Helicopters and Marine Outboard Engines

~~Determin~~

⑧ H Department of State, Office of the Secretary, Determination Pursuant to § 6(i) of the Export Administration Act of 1979 – Iran 49 CFR 2836-02; 1984

⑥ F Foreign Military Assistance and Sale 22 U.S.C.A § 2301 – 2348

② B US Code Congressional and Administrative News Legislative History PL 99-399/22 U.S.C. 48 (Omnibus Dipl Sec and Antiterrorism Act of 1986)

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TAB 1

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A 1. Omnibus Diplomatic Security and Anti-terrorism Act of 1986, 22 U.S.C. 4801 (amends Arms Export Control Act 22 U.S.C. 2771-2779 by adding a new §) see § 509.

B 2. U.S. Code Congressional and Administrative News Legislative, History PL 99-399/22 U.S.C. 4801 (Omnibus Diplomatic Security and Anti-terrorism Act of 1986).

C 3. Arms Export Control Act, 22 U.S.C. §§ 2751-2794 (1976 and Supp. II of 1978).

D 4. The Export Administration Act of 1979, 50 U.S.C. app. §§ 2401-2420 (1976 and Supp. III 1979) (Evolved out of the Export Control Act of 1949) See 2405(j) and (l).

E 5. United States Munitions List 22 CFR § 121.01 (1982) "International Traffic in Arms Regulations" ITAR.

F 6. Foreign Military Assistance and Sales 22 U.S.C.A. § 2301-2348. DoD

G 7. Rules and Regulations Department of Commerce 15 CFR 385, 390, and 399 Foreign Policy Controls on Exports to Iran of. Aircraft, Helicopters and Marine Outboard Engines.

H 8. Department of State, Office of the Secretary; Determination of Pursuant to § 6(i) of the Export Administration Act of 1979 - Iran 49 CFR 2836-02, 1984.

I 9. Executive Order 12470 of March 30, 1984 Continuation of Export Control Regulations.

J 10. National Emergencies Act 50 U.S.C. 1601.

K 11. International Emergency Economic Powers Act 50 U.S.C. 1601.

Intel oversight act L 12. 50 U.S.C. § 413 Congressional Oversight (Reports to Congressional Committees of Current and Proposed Activities). — 5=1

M 13. 22 U.S.C. §2422 Intelligence Activities (Presidential Findings).

Boland Amendment

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Findings

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MR. SHAW: Your Honor, we call Oliver Norton.

OLIVER L. NORTH, called as a witness by the defendant, being first duly sworn, was examined and testified as follows:

XXX DIRECT EXAMINATION

BY MR. SHAW:

Q How old are you, sir?

A 42.

Q And where do you live?

A I live in Great Falls, Virginia.

Q And are you married and do you have children?

A I am married and I have four children.

Q And how old?

A I have a daughter of 16, a son 15, a daughter 8 and a daughter 3, sir.

Q Do you presently work for the National Security Council?

A Yes, sir.

Q And how long have you worked there? Is that in Washington?

A Yes. The National Security Council is at the White House.

Q And how long have you worked for the NSC?

A Since August of 1981.

Q Are you also presently in the military service?

Enclosure 2

A I am.

Q What branch?

A I am a lieutenant colonel of infantry inthe United States Marine Corps.

Q It is all right not to call you Colonel Norton, I take it.

A Yes.

Q How long have you been in the United States Marines?

A I was commissioned in 1968 as a second lieutenant.

Q So that is 17 years.

A Right.

Q What is your current position at the National Security Council in Washington?

A I am the deputy director of Political Military Affairs.

Q And to whom do you directly report?

A I report directly to the National Security Advisor to the President, who is now, this week, Admiral John Poindexter. Last week it was Robert C. McFarlane.

Q How long have you been at the National Security Council?

A I arrived there in 1981 and --

Q Let me ask you some personal questions. Where were you born, Mr. Norton?

A San Antonio, Texas.

Q And where did you go to college?

A I graduated from the U.S. Naval Academy at Annapolis, but I started out in pre-med at Rochester.

Q Pre-medical?

A Yes, sir.

Q And when did you graduate from the United States Naval Academy?

A 1968, June.

Q Over the years, have you done any --

THE COURT: And you were commissioned at that time a second lieutenant in the Marine Corps?

THE WITNESS: Yes, sir, I was, your Honor. One can take a commission either in the navy or the marines.

Q Over the years, Mr. Norton, have you done anu graduate work?

A I have. I've taken graduate courses at Catholic University in Georgetown, both in business and in political science.

Q What did you do after your graduation from the United States Naval Academy in 1968?

A I proceeded to our infantry officers basic course at Quantico, Virginia and then immediately to Viet Nam.

Q And what were your duties in Viet Nam?

A I was an infantry platoon and company commander in the Special Operations Force, team commander.

Q And how long were you on active duty in Viet Nam?

A From 1968 through the early part of 1970, and then again in 1971.

Q Mr. Norton, did you receive any military decorations for your service in Viet Nam?

A I did.

Q What were they?

A Silver Star, Bronze Star, several Purple Hearts, others.

Q What did you do, Mr. Norton, in the years after your tour of duty ended in Viet Nam and before you went to the National Security Council in 1981?

A I also served in a variety of command and staff positions, in marine infantry units. I also served as an instructor in a variety of schools and had been a student in various schools.

Q Where did you teach?

A At our own officers basic course and I taught at our officers candidate school and I taught at the FBI Academy at Quantico.

THE COURT: In Quantico?

THE WITNESS: Yes.

Q When you went to the National Security Counsil in 1981, Mr. Norton, to what office were you assigned?

A I was assigned to the Defense Policies Group within the National Security Council staff.

Q And how long were you there?

A I was there from my arrival in 1981 through the summer of 1983.

Q And in the summer of '83, what happened?

A I was promoted to serve as the deputy director of Political Military Affairs.

Q And could you tell the jury what your responsibilities are in that capacity?

A I am charged with coordinating our economic and diplomatic and military reponses to various crises that occur in the world and hopefully prepare in advance for those crisis.

Q And recently what specific activities have you been involved in?

A We have been focusing principally on issues of combatting terrorism, which has been a problem. My team is the one that prepared and executed the Achille Lauro rescue and the seizure of the hostages -- the seizure of the terrorists who had taken hostages.

And I just returned from overseas, where we are trying to effect the recovery of the five Americans who are

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THE OLLIE WE KNEW

MANY MYTHS HAVE GROWN UP AROUND OLIVER NORTH: RAMBO, THE COWBOY, ALMOST THE PRESIDENT'S SON. HERE'S WHAT HE REALLY DID, AND WHY HE DID IT.

BY DAVID HALEVY AND NEIL C. LIVINGSTONE

In late 1984, in the ornate Indian Treaty Room of the Old Executive Office Building, a young Marine officer's family and friends were gathered for a ceremony in honor of his promotion from the rank of major to lieutenant colonel. The President's national-security adviser, Robert C. "Bud" McFarlane, himself a former Marine lieutenant colonel, performed the ritual and pinned the silver oak-leaf insignia on the officer's shoulders. McFarlane administered the oath from memory and followed it with comments appropriate to the occasion. "It would not be unusual," said McFarlane, "if Colonel North awakes one day to carry the same responsibilities that I carry right now."

Today Lieutenant Colonel Oliver North's career is in shambles, and any suggestion that he would one day become national-security adviser to the President seems strange. But back in 1984 he was a man on the rise, the President's "fair-haired boy." Nothing seemed impossible.

Marine Lieutenant Colonel Oliver North, known as Ollie, burst into the national consciousness on November 25, 1986, in the wake of revelations concerning the Iran arms deal and covert efforts to aid the *contras* battling the Sandinista regime in Nicaragua. A man with an intense, magnetic personality and riveting blue eyes, he looked as though he had stepped out of a Marine Corps recruiting poster. Perhaps that is why it was hard for many to believe that he had been anything other than a good soldier following his commander-in-chief's orders, and not some kind of sinister operator pursuing a private foreign-policy agenda from his cluttered office in the Old Executive Office Building adjacent to the White House. Indeed, on the day North was fired from his position on the National Security Council, the President described him as a "national hero."

A man of action, North became President Reagan's "Rambo," a characterization he disliked, and in the six years he served on the National Security Council, he was at the center of the administration's war on terrorism and its efforts to aid anti-communist insurgencies around the world.

Ever on the move, North handled the sharing of intelligence with the British during the Falklands crisis and traveled to Argentina with then-Secretary of State Alexander Haig after the onset of fighting. He frequently went to the Middle East. He swept through the Caribbean on the eve of the US operation in Grenada. He jetted back and forth to Europe when Americans became the target of Abu Nidal's hit teams, and journeyed to Cyprus each time an American hostage was wrenched free from the grip of the Shiite Hizballah. He made a memorable trip to Tehran in pursuit of a doomed policy, bearing a Bible signed by Ronald Reagan and a cake in the shape of a key. Wherever Americans were in trouble, North could be expected to show up. He spent so much time in the air that by 1986 a private jet reportedly stood by, around-the-clock, ready to respond to his summons.

He drew around him a collection of admirers and operatives, including conservative idealists, anti-Castro Cubans, counter-terrorism specialists, ex-spooks, and other Marine officers, and they became known as "Ollie's cow-

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As a military-affairs correspondent for *Time* magazine, covering terrorism, insurgencies, and intelligence matters, David Halevy first met Oliver North in early 1985 when Halevy was preparing a story on the *contras*.

From that first meeting until North's firing in November 1986, Halevy met with him at least once a week, sometimes twice, often at the McDonald's half a block from the Old Executive Office Building at 17th Street and Pennsylvania Avenue, Northwest.

Neil Livingstone, a long-time writer and consultant on terrorism and low-intensity warfare, first met Oliver North in 1983. As he followed the evolution of the Reagan administration's anti-terrorism policies, he became fascinated by the fact that all roads seemed to lead to a little-known lieutenant colonel at the National Security Council boys." Together they waged the "good fight" against enemies of the United States.

Today North faces criminal prosecution. The Reagan administration is in disarray, and the President is in the position of looking as if he didn't know what was going on in the White House, or, if he did, looking like a liar.

Whether history ultimately regards Ollie North as a scapegoat, a rogue elephant, a national hero, or some combination of all three, it is too early to tell. Whatever the outcome, one thing is certain: Oliver North has, in the words of one congressman, "passed over the great divide into fame."

THE SHAPING OF OLIVER NORTH

Who is Oliver North, and what were the events that shaped his life and foreshadowed his fame?

He began life in San Antonio, Texas, the eldest of four children born into an Army family. North's parents were strong disciplinarians with high expectations for their four children. From all accounts, Ollie—known in those days as Larry—was a model son, and his formative years were happy ones.

When it came time for college, North won a scholarship to the State University of New York at Brockport. It was there that he joined the on-campus Marine officer-training program and put aside thoughts of becoming a teacher in favor of a career in the military. He transferred to the US Naval Academy after his sophomore year, starting over as a plebe in the class of 1967. An auto accident forced North to start all over again, as a plebe in the class of 1968, his third year of higher education as a freshman.

The class of 1968 was to become one of the most memorable in the recent history of the Naval Academy, not only because of its many outstanding members but because its history was so configured by the Vietnam war—five members of the class would die in Southeast Asia. For those, like North, who served there, Vietnam would be one of the great passages of their lives. During his Marine career, including his years at the White House, Vietnam was always North's reference point, a yardstick by which he measured actions and motives.

He was 25 years old when he graduated from Annapolis, and few doubted that he would go for the Marines when it came time to take his commission. According to the yearbook, "No matter where his career may lead, we know his thoughts will always be of the corps, the corps, and the corps." Upon graduation, he went directly to the Marine Corps officers' school at Quantico, Virginia, and soon found himself in Vietnam in command of a platoon. Although a straight-arrow officer, he was respected and even admired by the men of his platoon.

Ollie North in Vietnam in July 1969, just after taking a hill on Mutter's Ridge. As a platoon commander, he was wounded and decorated. But he was also scarred emotionally, upset by military red tape and bureaucrats, and frustrated that the US didn't have the power and determination to win.

He saw extensive combat in Vietnam, conducted reconnaissance missions behind enemy lines, and won a Silver Star for valor. He was also wounded at least twice, although he was not in the habit of applying for Purple Hearts.

After he returned to the US, North was hospitalized for ten days in 1974, suffering from delayed battle stress. He was reportedly found by a superior officer talking incoherently while running around naked waving a .45 pistol. Later, as a member of the National Security Council staff, North would only rarely reminisce about his combat experiences, but he would often refer to the lessons of Vietnam. "We can't afford losing," he once said. "We ought to train and operate with only one goal in mind: to win."

Five years after the fall of Vietnam, North would again see American military might come up short—this time in Iran.

North was involved in the attempt to rescue the hostages that left eight American servicemen dead at a makeshift landing strip in the Horasan desert. To North, the "debacle in the desert" was Vietnam all over again—further proof that the nation lacked the will and leadership to succeed in covert military operations. While on the National Security Council, he often remarked to friends that "the Army can't shoot straight, the Air Force can't fly, and the Navy can't sail."

In the aftermath of Desert One, North became committed to doing everything in his power to restore the nation's ability to "win" militarily. He maintained that the US would never prevail over the Soviet Union unless it got off the defensive. Preserving the status quo was not enough; America must turn the tables on the Soviet Union and its allies and go on the offensive.

While imbued with all this passionate desire to change things, North in 1980 was a major in the Marine Corps and in no position to change the system. One year later it would be different.

NORTH MOVES IN NEXT DOOR TO THE WHITE HOUSE

After his service in Vietnam, North taught special-warfare courses at Quantico, as well as to the Third Marine Division and the Fifth Special Forces Group based in the Philippines. Following a stint as a plans-and-policy analyst at Marine headquarters, he was sent to the Navy War College in Newport, Rhode Island. There he met John Lehman, who would become Reagan's first Secretary of the Navy. It was Lehman who recommended North to Richard V. Allen, Rea-

Oliver Lawrence North and his wife, Betsy, who calls him Larry, except when she is upset with him—then she calls him Lawrence. Their youngest child, Dornin, on her father's shoulders, broke her arm earlier this year, not long after this picture was taken.

gan's national-security adviser. Allen was impressed with the young Marine officer with the sparkling blue eyes, who seemed to combine the attributes of a tough combat commander with those of an able staff officer.

When the offer came to join the National Security Council, North grabbed at the opportunity with both hands. Finally he would have an impact on things that mattered to him. Within a year, the young Marine major emerged as the National Security Council's chief troubleshooter and covert-operations specialist, as well as secret emissary for highly sensitive missions. He quickly grasped the power of information and took on whatever needed to be done, quickly making himself indispensable.

To prepare himself for the 7:45 AM NSC staff meeting, North began his workday at dawn, and he could often be found in his office at midnight, even when there was no crisis. His ability to put in eighteen-hour days—sometimes sleeping on the couch across from his desk—gave him an advantage when it came to turning out work.

Reflecting little interest in the trappings of power, North's office, Number 392 on the third floor of the Old Executive Office Building, was a monument to organized chaos. It was small and stuffy, furnished with a desk, couch, and chair, and its walls were covered with maps of Nicaragua, Libya, the Bekaa Valley in Lebanon, Beirut, El Salvador, and assorted aerial photos. There had been an oil painting over the couch once, but it had been on loan from the National Gallery of Art to a former occupant and was taken back when it was deemed that North's status did not merit such a piece of art. An old Marine uniform hung on a rack in one corner, and there were small, framed pictures of his wife and children and of President Reagan and three *contra* leaders (with North characteristically in the background).

Taped to the wall behind his desk were drawings and finger-paintings by his children. A Chinese People's Liberation Army fur hat emblazoned with a red star sat on the windowsill. North's desk always seemed to be littered with phones, computer terminals, reports, and paperwork, and when the desk couldn't hold any more, the floor became an extension of its work surface.

Outside North's office in the reception area, there was a coffee machine that always seemed to be on. Tacked above the machine was a mock movie poster promoting a film entitled *The Return of Walter Mondale*, which promised that the candidate would be "more boring than ever."

The guardian of the door was North's fanatically loyal secretary, Fawn Hall, whose mother served as secretary to national-security adviser Bud McFarlane. In the wake of the Iran-*contra* revelations, Fawn Hall has provided the "sex angle" to the media, some of whom have portrayed her as little more than a decoration in North's office, a blond airhead who surely had to be "involved" with her boss.

Nothing could be further from the truth. North was aware of the office gossip and frequently joked that "everyone thinks I'm having an affair with Fawn because she's so good-looking." Now and then a White House staffer, hearing of Hall's attractiveness and personality, would find an excuse to visit North's suite just to get a look at her, and maybe even meet her. But she was more than a pretty face. Hall was North's right arm and protector, and woe to anyone who she felt wanted to hurt Ollie.

If North was out of the office, and he frequently was, it was Hall who kept things running, sorting out the stacks of messages, relaying instructions and messages to and from North, and keeping a lid on things. A visitor waiting for Ollie would always be surprised by Hall's ability to handle what seemed like a dozen different tasks at once. She was a blur of activity, pounding the keys of the word processor, answering the constantly ringing phone, responding to inquiries from other NSC staffers, and greeting visitors. Like North, she put in extraordinary hours, and when reports later surfaced that she was a professional model on the side and had dated Arturo Cruz Jr., son of the *contra* leader, many who had known her wondered when she had found the time.

AFTER THE ISRAELI INVASION OF LEBANON

The first major crisis in which North played a significant role came in 1982, when the Israelis invaded Lebanon. Attached to the entourage of special Middle East presidential envoy Philip Habib, North arrived in Israel on June 6, just as Israeli armor was about to push into Lebanon and lay siege to Beirut, the "international capital of terrorism."

While Ambassador Habib was dining

Continued on page 140

The Ollie We Knew

Continued from page 7[illegible]

with Israel's prime minister, Menachem Begin, at his official residence in Jerusalem, North was invited by Ariel Sharon, the nation's defense minister and the architect of the invasion of Lebanon, to join him for dinner at his desert ranch. During what North recalls as a cordial meal, Sharon pulled out detailed maps of Lebanon and showed him Israeli troop positions throughout the country. Referring to high-resolution maps of the Bekaa Valley, he described how four Israeli tank divisions, under a unified command structure, were just beginning to enter the Valley, where the Syrians were on the withdrawal.

Then, according to North, "Sharon laid down his secret plan to push an Israeli tank division to the Chouf Mountains and with the two forces, at the Chouf and the armored corps in the Bekaa, to encircle the two Syrian tank divisions that were positioned at the northern section of the Bekaa Valley, around the Beirut-Damascus highway." Once this was achieved, said North, Sharon's secret plan called for the United States to rush to the rescue of the Syrian divisions, in a replay of Kissinger's design to rescue the Egyptian Third Army after it was trapped by the Israelis in the Sinai Desert during the 1973 war. Sharon was convinced, North maintained, that such an act would have brought Syria to the American camp of Arab states and would have put an end to Soviet influence in Syria.

After dinner, North rushed back to the American Embassy in Tel Aviv and, bypassing diplomatic channels, sent a report of Sharon's secret war plan and political proposal to his boss, national-security adviser William Clark, who was with the President at Versailles. He then rejoined Habib, and they made the rounds of other Middle East capitals, arriving in Damascus two days later.

As it turned out, no one at the White House or elsewhere in the government, including Clark, took the time to give serious attention to the Sharon proposal. It was during this period that North began to think that it was all but impossible to overcome bureaucratic indifference or opposition to the Reagan agenda.

Intelligence information arriving on the desk of the commander-in-chief, which was supposed to help the President and the NSC create specific policies, was often inadequate or biased, tailored by the bureaucracy to produce an anticipated outcome. The President and his advisers, North thought, simply ratified the conclusions already reached by national-security bureaucrats because they had no way of independently collecting intelligence. North's frustration with the bureaucracy is evident in his private communications reprinted in the Tower Commission report. At one point, he complains that the CIA tried for two days to get a plane that he needed, and in the end failed, whereas it took retired Major General Richard Secord, a key figure in North's network of special operators, only five minutes.

This frustration over an often intractable and self-centered bureaucracy was at the heart of the NSC's gradual transformation from a consultative unit into an operational one. And as the NSC became ever more operational, Oliver North's power expanded, for he was the premier special operator on the NSC staff, the seat-of-the-pants tactician willing to try anything that might bring results. That sort of freelancing was found to ruffle feathers in the administration. When North bypassed diplomatic procedure by alerting Washington about Sharon's secret war plans, newly appointed Secretary of State George Shultz confronted North during one of Shultz's first NSC meetings.

> *North complained that the CIA tried for two days to get a plane that he needed, and in the end failed, whereas it took retired Major General Richard Secord only five minutes.*

"Son," said Shultz, grabbing North by the arm, "don't you ever dare to get involved in diplomatic matters again." Shultz then turned and walked away. It was the last time the Secretary of State spoke to him.

LEARNING WASHINGTON'S WAYS

From late 1982, North was involved in every major foreign-policy crisis, and began to travel extensively throughout Latin America, the Middle East, and Europe on secret missions, shedding his role as White House adviser for that of White House special operator. Soon he was running actual operations and becoming the White House point man on the scene when there was a crisis somewhere in the world.

North was also becoming a talented bureaucratic infighter, adept at manipulating the system to get what he wanted. Through use of White House stationery and the telephone switchboard—few people are unimpressed by the operator's saying that "the White House is calling"—North rapidly developed the reputation of a doer.

North was traveling continuously on White House jets, chartered private jets, CIA aircraft, and commercial flights, meeting with foreign officials and intelligence operatives, conducting secret diplomacy. Sometimes he would put in his regular fourteen-hour day at the office, then slip away to some foreign destination for a meeting during the night, and be back behind his desk the following morning, having caught only a catnap while in the air.

He traveled under a variety of assumed names, including "Mr. Goode," "Mr. Johns," and "Mr. West," using false passports provided by the CIA or diplomatic documents obtained from the Department of State. When involved in highly secretive missions abroad, North would travel in a variety of disguises, sometimes dying his hair or wearing a wig, donning eyeglasses, and dressing in casual attire.

"YOU OUGHT TO HAVE FAITH"

On October 25, 1983, less than a week after the murder of Grenada's Marxist leader, Maurice Bishop, by another Marxist faction, the United States invaded the tiny Caribbean island, ostensibly to restore order and to protect some 1,100 Americans living there from being taken hostage. US troops encountered resistance from Cuban soldiers and airport workers, and the final American toll was put at 18 dead and 91 wounded.

North coordinated military and policy-planning groups in preparation for the invasion and fought a losing battle to persuade Pentagon brass to use only Marines in the operation instead of a combined force of Marines, the 82nd Airborne, elements of Delta Force, Navy SEALs, and Army Rangers. He also traveled to Caribbean nations to enlist support and approval of the operation, and put together the regional multinational force that never went ashore. During this period, he slept in his office.

It was North who was dispatched by McFarlane to get President Reagan's signature on the presidential order authorizing the deployment of the 22nd MAU (Marine Amphibious Unit) to Grenada so that the invasion could proceed. When "Operation Urgent Fury" was launched on the 25th with a predawn landing by Navy SEALs, North monitored the drama from the White House Situation Room. "I couldn't do anything more," he said later. "At that stage it was up to the invading troops."

A key element of his plan was for transport planes to leave Miami and fly to Grenada, where they would evacuate the Americans residing on the island, including many students attending a medical school in St. George's, the capital. Intelligence briefers were scheduled to go along with the planes and brief the evacuees on the return trip.

To his chagrin, North learned that the Air Force planes had not picked up the intelligence briefers and had gone to Grenada without them. He feared that without an understanding of the administration's motivations and its estimate of the danger they were in, the students would accuse the President and the US government of conducting a needless military operation. He feared that criticism by the students would play into the hands of members of Congress and the media waiting for Reagan to stumble.

North decided to report the impending disaster at once to his boss, national-security adviser Bud McFarlane, and to admit personal responsibility for not adequately supervising that stage of the operation. He ran upstairs from the Situation Room and poked his head into the Oval Office in hope of glimpsing McFarlane. Instead he saw the President, who called him into his office.

According to those close to both men, the President's relations with North were informal and warm. Reagan probably saw in the dashing young Marine, with his quick mind and easy humor, something he never saw in his own sons.

When North met with Reagan, he often entered the Oval Office through the side door, and his meetings were not logged in.

North reciprocated the President's trust and affection, and more than once told friends he would stand in front of bullets for Reagan. He idolized the man who, he believed, was responsible for making America "stand tall."

"What's the problem, Ollie?" Reagan asked. "You appear to be disturbed by something."

North told the President what had happened and took responsibility for having failed his commander-in-chief.

"Where are the planes now?" asked the President.

"On their way back from Grenada with the students," North responded.

"Come with me," said the President, leading the way into an adjacent room, where there was a TV cabinet with three screens.

"Sit down and let's watch their arrival." Reagan consoled the younger man in a fatherly way. "Everything will be fine. You ought to have faith."

While the battle for Grenada was still under way, the President and North sat opposite the three TV screens and watched the arrival of the American students. When the first student, Jeff Geller, deplaned at Charleston Air Force Base in South Carolina, he dropped down and kissed the tarmac.

Reagan turned to North and said, "You see, Ollie, you ought to have more faith in the American people."

THE SPECIAL OPERATOR

North also developed a very close relationship with CIA Director William Casey, who was engaged in what amounted to a personal crusade to revitalize the nation's intelligence capabilities, which had suffered during the traumas of Vietnam, Watergate, the Church Committee, and other inquiries into CIA wrongdoing. Casey, who had learned his trade with the OSS in World War II, had a special taste for covert operations and secret diplomacy and liked to roll up his sleeves and immerse himself in various operations. He often said that the US must roll back the Soviet empire in just *one* place, and then it would begin to collapse. From Casey's standpoint, Grenada didn't represent a significant roll-back, and he continued to probe for the opportunity to demonstrate that Soviet ascendancy over the West was neither inevitable nor historically ordained.

> *The story of the two gringos who had ~~risked their~~ lives to save two Salvadoran soldiers made the rounds in Central America, and it made North very popular in Salvadoran military circles.*

Casey recognized North's aptitude as an operator, noting the spark in his eyes and the desire to do whatever was called for to ensure that the US did not come up second best. Casey soon began channeling covert operations through North and, by so doing, avoided the requirement to report such operations to congressional oversight panels.

In his official position as deputy director for political-military affairs at the National Security Council, North was responsible for terrorism issues, the handling of American hostages, and the planning and coordination of almost anything that fell under the rubric of low-intensity warfare, including El Salvador, the *contras*, and support of other anti-communist rebels. In this capacity, he was the NSC's representative on the Intergovernmental Committee for Combatting Terrorism and, under NSC adviser John Poindexter, often served as acting director of the Terrorist Incident Working Group.

One of North's strengths was his ability to work with people, although sometimes he was accused of being high-handed. He got so deeply involved in his work that he often clashed with the Pentagon and the State Department. He began to develop a reputation as "the world's most powerful lieutenant colonel." Other times, with more than a little jealousy, he was referred to in some quarters as "Field Marshal North."

He was aware of the barbs but rarely took offense. Most of the time he took the humor in stride, as when he told a friend, "I must be doing something right. They've named a parking lot at the Pentagon after me."

During 1983 and 1984, North spent a lot of time in El Salvador monitoring the situation firsthand, traveling with Ambassador-at-Large Richard Stone and meeting in the field with the Green Beret advisers to the Salvadoran Army. On one occasion, North was flying in a small plane to get a closer look at the action in El Salvador, accompanied by another American, when they heard over the radio that a Salvadoran Army unit was under heavy fire from an enemy position they could not locate. Their desperate calls for a spotter plane and a helicopter to evacuate the wounded were turned down because all available aircraft were engaged elsewhere. North didn't hesitate to aid the unit. They overflew the area, located the enemy position, and directed Salvadoran mortar fire on it. Then they wheeled the plane about and dived toward the ground while North informed the Salvadorans that he was landing on a dirt strip. Enemy gunfire raked the small plane, shattering one of the windows. The wounded were loaded aboard, and they took off in a hail of bullets. Once airborne, they transported the two wounded Salvadoran soldiers to a military hospital in San Salvador. Neither survived.

Later the story made the rounds in Central America of the two gringos who had risked their lives to save two Salvadoran soldiers, and it made North very popular within Salvadoran military circles. When he needed some assistance or a special favor from the Salvadoran military, North had only to ask.

THE ISRAELI CONNECTION

"Ollie North's biggest contribution to the Western society," observed a top Israeli intelligence official, "was his ability to persuade American decision makers to take active measures against international terrorism." The Reagan administration had come to power with tough talk against terrorism but few initiatives.

It was not until the traumas of 1983—the bombing of the US Embassy and the US Embassy annex in Beirut, the destruction of the US Marine headquarters at the Beirut airport with the loss of 241 American lives, and the bombing of the US Embassy in Kuwait—that the administration began seriously to address terrorism.

On April 3, 1984, President Reagan signed National Security Decision Directive 138 (NSDD 138), which amounted to a declaration of war against terrorism. In the preamble to the still-classified document, the US stated that "states that use or support terrorism cannot be allowed to do so without consequences," and went on to note that when all other efforts to dissuade states from supporting terrorism fail, "the United States has a right to defend itself." Ollie North was one of the architects of NSDD 138.

"Ollie," said a close friend and colleague at the NSC, "took an oath to hunt and bring to trial the Shiite terrorist who was responsible for the bombing of the Marine headquarters." The quest for those behind the October 23 bombing brought North together with Israeli intelligence. "The Israelis," said North later, "were far ahead of us. They had better intelligence, kept it updated," and were—as a small nation without global responsibilities—able to conduct surgical counter-terrorist operations in a fairly unrestrained fashion.

The Israelis quickly saw North as a power behind the scenes at the National Security Council. Thus, when the Israelis spotted Imad Mughniya—the mastermind of the bombings of the US Embassy, the Marine headquarters, and the French paratrooper barracks—on the French Riviera, they alerted North. Mughniya was traveling under an assumed name and using a false passport. North decided to hunt Mughniya himself, one on one.

Not a lot is known about Mughniya. Unlike Carlos or Abu Nidal, Mughniya has attracted little attention in the Western media. Yet he is perhaps the most ruthless and successful terrorist in the world today. In little more than three years, Mughniya managed to destroy the US Embassy in West Beirut, killing most of the CIA station in that country and forcing American diplomats to retreat to East Beirut. In the aftermath of the bombing of the US Marine barracks, he forced the United States to withdraw its military contingent from Lebanon. His men also drove the Foreign Legion and French "paras" from the country. With a single car bomb, Mughniya was able to nearly wipe out Israel's counterterrorist network in southern Lebanon. He orchestrated the kidnapping of the new CIA chief of station, William Buckley, and many of the other Western hostages. By 1985, Mughniya was the most wanted terrorist in the world.

Learning of Mughniya's whereabouts, North went into action. He asked his Israeli contact at the embassy in Washington, Colonel Moshe Zur, as well as Major General Uri Simhoni and the Israeli prime minister's anti-terrorism adviser, Amiram Nir, to maintain surveillance of Mughniya and not let him slip away. He told the CIA and his superiors at the NSC of the development, and a task force of CIA operators and representatives of military special-operations forces was established to monitor the situation. One ingredient was still missing: cooperation from the French.

When the Israelis spotted Imad Mughniya—the most wanted terrorist in the world—on the French Riviera, they alerted North, who decided to hunt Mughniya himself, one on one.

Although impressed with the Soviet method of handling terrorists, North knew there was little support in the administration for assassinating them. It was more consistent with US values to shell the Chouf Mountains with a battleship, killing and injuring many innocent people, than to target an individual terrorist, known to have been involved in the murder of American citizens, and shoot him between the eyes. Thus North had only one choice: to capture Mughniya on French soil and bring about his extradition back to the US to stand trial.

At first all went well. The French promised cooperation and assumed prime surveillance of Mughniya. But problems began to arise. The US could not get French assurances that Mughniya would be extradited; it appeared that they wanted to try him themselves.

While North, in a series of transatlantic shuttle missions, tried to iron out differences between the two allies, the situation began to unravel. In view of growing French recalcitrance, the US and Israel had maintained their surveillance of Mughniya and were alarmed when he was plucked from under their noses by French police. The French bundled Mughniya off to the airport and put him on the first flight to the Middle East, later claiming that American and Israeli operatives had been mistaken in their identification, and boasted that they had actually saved both services a major embarrassment.

It was North's first major failure, and one that he would not soon forget. The United States would have to rely on its own devices to fight terrorism, at least until the Europeans could be convinced that cooperation was preferable to the use of military force by the US. He began the quest to find an opportunity to strike a decisive blow against terrorists, hoping such an action by the US would bring the Europeans to their senses.

In retrospect, North's frustration and bitterness over having failed to catch the man responsible for the murder of his fellow Marines may have played a role in his later willingness to consider any means to deal with terrorism, and in so doing sowed the seeds of "Irangate." The one thing he was never shy about saying was that what we were doing "isn't working." He often blamed those in key government positions who wanted to remain safe spectators. The way he saw it, too many people at State, Defense, and in the intelligence agencies were more interested in protecting their own behinds than in accomplishing anything. At every meeting there seemed to be a dozen naysayers dedicated to explaining why something was impossible. Unlike those he saw all around him, North did not have his next promotion as the overriding factor determining his actions. He seemed to have an all-consuming desire to accomplish the task at hand, especially if he believed it to be the President's will. North's goals were straightforward enough: to fight terrorism, to give form and substance to the Reagan doctrine, to bring down the Sandinista government in Nicaragua, and ultimately to achieve the release of the American hostages in Lebanon. As he saw it, these were Reagan's goals and he was Reagan's instrument. With luck, courage, and imagination they could give the nation victories it would be proud of.

But North also knew there would be a price. Beginning in 1984, he remarked to friends that he had flown too close to the fire and that the day "will come when I have to resign in disgrace from the administration" and "take the heat for the President." But he never expressed doubts about what he was doing, and appeared resigned to the fact that his Marine career would be at an end when he left the White House.

NORTH'S LIFE AT HOME

The North household was a traditional one. Ollie was the breadwinner, and his wife, Betsy, was a homemaker and full-time mother to their four children: Tait, Stuart, Sarah, and Dornin. With the profits from the sale of previous homes, North bought a large, rambling old house in Great Falls, across the Potomac from the White House. The house cost a small fortune to heat, and the North family found they could not afford to keep the central heating system on all the time. North chopped a big stack of wood, and they kept a fire going around the clock in the main fireplace for heat. "The house is just too big to get really warm," said North. "So on very cold nights, everybody moved to the living room and slept there."

When North returned home from one of his trips to the Middle East, where he had been working to free the American hostages in Lebanon, he found that his entire family was ill. It was the winter of 1985, at the end of a protracted cold spell. When the family had moved to the living room, Betsy and the four kids had all contracted pneumonia. Trying to cope with a sick family and the demands of his job taxed North's energy. Although he managed to leave the office a little earlier each day, before long he was back to the same grinding pace. At one point, after a crisis, he promised Betsy that he would come home at least once a week.

Even when he managed to make it home, the phone would ring at all hours. There was no hiding from the White House signal switchboard, and North was forever responding to calls from *contra* leaders, government officials, and assorted operatives. But despite his absences, he and Betsy managed to maintain a semblance of family life. Deeply religious, North and his family attended church on Sunday whenever they could.

Though not without ups and downs, Ollie and Betsy's relationship remained strong. For her, he was always Larry; if he had slipped from her good graces, he was Lawrence. She never adjusted to calling him Ollie, as his friends did.

Betsy was working at a Montgomery Ward store when she met him through a cousin when he was a young midshipman. To hear her tell it, she was not impressed with him. "He had to persuade me, to make a big effort, before we started dating on a regular basis," she recalled.

The Norths were not part of the Washington party circuit, and they socialized primarily with friends in one another's homes. When he had free time, North would almost always spend it with his family. The family owned a horse, and he took a keen interest in the kids' riding lessons. For North, the family was his private world, and he rarely admitted outsiders.

As his name began to pop up in the media, he worried about his family's safety. On one occasion, fearful that they might be a target, he moved them to a military base in the Washington area for a short time.

After North was fired from his White House job, there was no way he could shield his family from the media. He despaired when some of the particularly vicious stories, accusing him of all sorts of transgressions, began to affect his children. When his oldest daughter, bitter over the way her father had been treated, began to criticize the United States, North was deeply hurt. Responding to her anger, he tried to give her some sense of perspective. "If this were any other country in this world and your father fell from grace," he told her, "he would leave for work one day and never return."

At one point, after a crisis, North promised his wife he would come home at least once a week. But even when he managed to make it home, the phone would ring at all hours.

He later confided to a friend, "Maybe it was not worth it after all."

TWA 847 AND THE ACHILLE LAURO: THE START OF A SPECIAL RELATIONSHIP

On June 14, 1985, a TWA airliner, Flight 847, was seized by Shiite gunmen over Greece, beginning a seventeen-day hostage ordeal that saw the aircraft forced to fly to Algiers twice and Beirut three times. On the second day of the crisis, a young American Navy diver, Robert Stethem, was murdered by the terrorists. Some passengers were released in Algiers and Beirut, but on June 16, after the plane touched down in Beirut for the third time, the remaining 39 American passengers and crew were broken up into groups and dispersed throughout the city so as to make any rescue attempt more difficult.

In the end, with the threat of US military intervention looming over the region, negotiations secured the release of the remaining 39 hostages. As part of the agreement, Israel released—in an ostensibly unconnected move—more than 700 Shiite prisoners. According to North, the agreement had broken down late on June 29 when Hizballah terrorists, holding the four Jewish passengers, refused to go along with the deal.

The Reagan administration had taken the position that it wanted *all* the hostages back or there would be no deal. North, already deeply involved in secret diplomacy with a faction of the Iranian government headed by Speaker of the Iranian Parliament Hojatolislam Hashemi Rafsanjani, said that the White House had made an urgent plea to Rafsanjani and that he had intervened to secure the release of the remaining hostages, permitting them to be transported to Damascus in a Red Cross convoy.

In addition to playing a key role in overall crisis management from the White House, North became immersed in the unfolding events in both the Middle East and El Salvador. One colleague remembers him taking time to secure the order lowering the flags to half-mast in honor of the slain Stethem. North personally made the arrangements for the return of the bodies of the four murdered American Marines to the United States. He felt that the dead American servicemen deserved no less, and he distrusted government bureaucrats to get such action taken quickly. North had little time for excuses and bulldozed his way through red tape, regardless of the noses he bent out of joint.

During the TWA hijacking crisis, the United States and Israel had reached a new level of cooperation. For the first time since the establishment of the "special relationship," that cooperation reached into areas of strategic cooperation, military options, and joint covert operations. A secret channel of communication was established between the two nations, and Oliver North was the US point man. The decision to name North as the American liaison was ratified by top Pentagon and intelligence officials, and known to only a very small group at the National Security Council.

It was also during the TWA hijacking that the role of the Iranians as leading sponsors of Middle East terrorism became firmly established to everyone's satisfaction. This, ultimately, would lead to the decision to open a secret dialogue with Iranian "moderates" and to sell arms to Tehran. Although no one recognized it at the time, the US was becoming sucked into a pattern of doing business "the Israeli way," in which the counter-terrorists were in the driver's seat and running roughshod over traditional foreign-policy and defense considerations.

Appearing before a closed-door session of the Senate Intelligence Committee on June 19, 1985, CIA Director William Casey said, "The United States is at war" with international terrorism and "the TWA hijacking is just the beginning." Casey's words proved to be prophetic. While North had little room to operate during the TWA 847 crisis, perhaps his finest hour would come three months later in the wake of the seajacking of the Italian cruise liner *Achille Lauro*.

At 8:45 AM on October 7, 1985, Palestinian seajackers burst into the ship's dining room with weapons firing, slightly injuring two passengers. Once in control, they demanded the release of 50 Palestinians being held in Israel. When negotiations began to falter the following day, the terrorists murdered wheelchair-bound Leon Klinghoffer of New York and dumped his body over the side of the ship. They had shuffled the passports of the Americans, and Klinghoffer's had come up on top.

From the moment that news of the seizure reached Washington, the Reagan administration, its patience already worn thin by the TWA 847 incident, began planning a military rescue of the ship in case the situation began to deteriorate. The Navy SEALs—commando frogmen capable of operating in water, in the air, and on land—were chosen for the mission.

The operation was scheduled for the night of Wednesday, October 9, and it was at this point that detailed intelligence became critical. North, coordinating the operation as head of a special White House counter-terrorist task force, was stunned to learn that US intelligence had lost track of the ship on Tuesday, despite all its sophisticated satellite and communications monitoring equipment.

Actually, ship detection in mid-ocean is not that easy. A ship can be located through the signals emitted by its own navigational radar, by its radio communications, or by means of aerial reconnaissance and photos. US intelligence was configured to track the Soviet Navy, not commercial vessels. But the Israelis had suffered a number of terrorist penetrations involving "mother" ships off the coast and had sophisticated monitoring devices capable of locating and tracking threatening vessels.

In desperation, North turned to his Israeli friends for help, using the channel established during the TWA 847 crisis. He called Major General Simhoni at the Israeli Embassy in Washington and explained the situation. Minutes later, Simhoni was back on the line with the vital information requested by North. The Israelis, fearing that the terrorists on board might try to carry out their original plan of attacking the Israeli port of Ashdod, had kept the ship under surveillance.

At this moment, the ship was sailing close to the Syrian coast, with the goal of entering the Syrian military and oil terminus of Tartus. North passed the Israeli information along to the National Security Agency (NSA), which had managed to locate the ship. But on Wednesday, the day of the planned operation, NSA once again could not locate the hostage cruise liner, and an embarrassed North again had to turn to the Israelis for help. As before, Simhoni was quickly able to supply North with the ship's exact coordinates. From that point, "we kept a secure line open between military intelligence headquarters [in Israel] and my office at the embassy," General Simhoni later confirmed. Preparation for the nighttime assault went forward, but the operation was never launched.

A woman of striking appearance, who was also a part-time model, Fawn Hall was considered Ollie North's right arm and a very efficient, hard-working secretary.

After the Syrians refused to let the ship dock at Tartus, the *Achille Lauro* sailed back to Port Said, where Mohammed Abul Abbas, the leader of the Palestine Liberation Front, a PLO splinter group, convinced the pirates to surrender to Egyptian authorities.

It seemed there was little left for the American commandos to do at Akrotiri, so they were ordered home. Meanwhile, diplomatic efforts were under way to convince the Egyptians to turn the terrorists over to Italy or the United States. The following morning, Washington time, an NSC staff meeting was interrupted with a message from Egyptian President Mubarak informing national-security adviser Bud McFarlane that the terrorists had already left Egypt. President Hosni Mubarak had given the same information to US Ambassador Nicholas Veliotes and repeated it publicly.

McFarlane turned to North and asked him where the US commandos were.

"On their way home," answered North, knowing that some members of SEAL Team Six were already in Gibraltar, en route back to the United States.

Not trusting the Egyptians, McFarlane asked North to "check where the terrorists are."

"Will do," said North, who began polling US intelligence sources. Failing to get definitive information, he called General Simhoni again.

"Uri," North inquired, "where are the four thugs?"

"Give me 30 minutes and I'll get back to you," Simhoni answered.

At 8:45 AM, General Simhoni reported: "The four are still in Egypt."

"Are you sure?" North demanded.

"Absolutely," came the reply. It turned out that a special Israeli monitoring unit was keeping tabs on preparations to ship the terrorists out of Egypt. A short time later, the NSA was able to verify the Israeli intelligence but unable to identify the plane on which the terrorists were scheduled to be flown to Tunis. Simhoni's sources were quickly able to pin down the location of the EgyptAir jet.

North rushed upstairs from the White House Situation Room to McFarlane's office. There he found McFarlane, preparing to board the Marine One helicopter to accompany the President on a campaign swing to Chicago; McFarlane's deputy, Vice Admiral John Poindexter; NSC spokesperson Karna Small; Near East and South Asian specialist Jock Covey; and McFarlane's secretary.

North launched into a report. "The friends," he began, using the common euphemism of the US intelligence community—until the arrest of Israeli spy Jonathan J. Pollard—when referring to the Israelis, "have the four in Egypt. We have confirmation." Then he spoke for everyone in the room: "We have to do something about it."

"What can be done?" Poindexter asked.

"Do you remember Yamamoto?" answered North, referring to the Japanese admiral whose aircraft was intercepted and shot down by American P-38 fighters during World War II. It was Yamamoto who had led the attack on Pearl Harbor.

"You don't want to shoot it down?" Poindexter asked.

"No," answered North. "Just force it to land at Sigonella, Sicily."

McFarlane told North to "get moving." Then he rushed out to the White House helicopter landing pad. ▷

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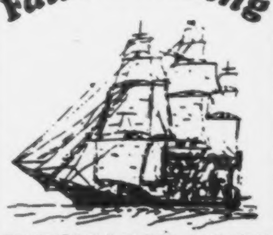

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North went to work at once. A short time later, North presented the outline of his plan to Poindexter, who approved it, and contacted McFarlane, via a secure communications link, in Chicago.

Once Reagan's approval had been secured, the Sixth Fleet was given new orders and the aircraft carrier *Saratoga* directed to sail in the vicinity of Crete at full speed. Timely and precise intelligence still remained a hurdle. By this time, US intelligence was able to keep the NSC advised as to the whereabouts of the terrorists, but the tail number and the departure time of the EgyptAir flight still remained a mystery.

North again called General Simhoni, who had an open line to Major General Ehud Barak, chief of Israel's military intelligence branch known as AMAN. Simhoni passed along North's request to AMAN and established an open line to the White House Situation Room, from which North was monitoring the operations of the Sixth Fleet.

"The Israelis had it all," said North later. They provided the US with the plane's identification numbers and call sign seconds after it was in the air. North, from his desk in the White House basement, transmitted the crucial information to the *Saratoga*. While the *Saratoga* was launching its F-14 fighters to carry out the interception and takedown, North watched the US commandos, now over the Atlantic, turn around and make for the NATO air base at Sigonella.

For the *Saratoga's* fighters, it was a little like trying to find a needle in a haystack. They had to single out the EgyptAir jet from among 67 other airliners flying in the international air corridor that skirts the southern littoral of North Africa.

McFarlane had communicated some doubts about the operation to North, who shared them with Simhoni. Accordingly, Simhoni began planning a backup operation that would have brought the Egyptian jet down at an Israeli military base.

"Will you be able to move in time?" North double-checked.

"We will give you all the assistance we are able to provide," responded Simhoni.

Then North asked the question that was already beginning to trouble administration planners about Sigonella: "Will you hand them [the terrorists] over to us or bring them to justice yourselves?"

"Whichever suits you better," came the response.

The Israelis were soon on the line again with even more stunning intelligence. Mohammed Abul Abbas, the leader of the PLF, was on board the EgyptAir jet, not to mention a number of armed Egyptian commandos. North knew that Abbas was the likely mastermind of the seajacking. The chance to bring a top terrorist leader to justice for his crimes was too good to be true.

The key now was to buy more time for the *Saratoga's* Tomcats so they would have time enough to make a positive identification of the jetliner and force it to Sigonella. North asked the Israelis if they could isolate the jetliner by jamming all its communications, except those they wanted to get through, and at the same time so intimidate the air-traffic controller at Tunis that permission for the EgyptAir flight to land would be denied.

The Israelis were soon on the line again with even more stunning intelligence. Mohammed Abul Abbas, the leader of the PLF, was on board the EgyptAir jet, not to mention a number of armed Egyptian commandos.

When the pilot of the EgyptAir jetliner bearing Mohammed Abul Abbas and his gunmen sought permission to land from what he thought was the Tunis air controller, his request was denied. Unknown to the pilot, he was really communicating with an Arabic-speaking Israeli military officer in a flying intelligence center.

Shortly thereafter, the Tomcats, flying with darkened cockpits and without lights, intercepted the jetliner near the island of Crete. The pilot of the jetliner urgently tried to contact Cairo for new orders but was prevented by a US EA-6B, which was jamming his radio communications. In case the pilot decided to try to make a run for Athens, Beirut, or some other "friendly" city, the US sent a strong warning to those governments not to let the aircraft land.

Finally, the desperate EgyptAir pilot capitulated and agreed to follow the warplanes that surrounded his aircraft. Meanwhile, the Italians were cutting a new deal with the Egyptians. According to North, "The Italians promised the Egyptians that Abu Abbas [Mohammed Abul Abbas] would be saved, as he was the only link between the terrorist attack and the PLO chairman [Yasir Arafat]." The Italians would keep the four seajackers, they promised, but would permit Abbas to escape. "Once the second deal was in the making," North recalled afterward, "the Italians ordered their *carabinieri* to Sigonella Air Base to prevent us from taking Abu Abbas to the US."

The EgyptAir jetliner had just landed when the transporters carrying Army General Carl W. Stiner and the other members of his command touched down on the runway. As the Egyptian plane came to a stop and stairs were rolled toward the door by ground personnel, black-clad US commandos surrounded the jetliner. General Stiner handed his Uzi submachine gun and pistol to one of his men and climbed the steps to the plane. The plane's door opened and the American general faced two Egyptian commandos, who pointed their Soviet-made AK-47s at him.

After some discussion—during which an open line to Oliver North and the White House Situation Room was maintained—the Egyptian commandos laid down their weapons and Mohammed Abbas and the four seajackers were escorted off the aircraft toward a waiting American plane with its engines running. Suddenly, Italian *carabinieri* rushed to the parked US plane and, with weapons leveled, formed a circle around the American commandos and their captives. Steiner was on the radio, describing the drama to North. It was at this moment, North later recalled, that he "knew it was all over. We were not going to clash with one of our allies over a terrorist."

The US commandos ultimately permitted the Italians to spirit Abbas and his companions away. Abbas was then allowed by the Italian government to slip quietly out of Italy on a chartered Yugoslavian plane, ignoring a US request for his detention and extradition. His four companions were detained by the Italian government and ultimately forced to stand trial.

For the Reagan administration, the midair interception of the *Achille Lauro* pirates was a triumph. "We Bag the Bums," trumpeted the *New York Daily News*. Oliver North later had the front page framed and mounted on his wall. The President's approval rating soared to 68 percent. But for North, it was, at best, a mixed success. He believed that the Craxi government's capitulation to the terrorists demonstrated once again that America's European allies could not be counted on in the war against terrorism, and that the United States would be forced to take even more drastic steps to protect its citizens.

"It was a piece of art," North reflected sadly, describing the operation. "It was a masterpiece of intelligence work, and there was smooth cooperation with some allies while others chose not to cooperate, fearing terrorist retaliation. The interception was a model of US government agencies working together." He faulted the Italians for their lack of courage, and while the rest of the nation was savoring the triumph, he returned to the drawing board to plan the next US blow against terrorism.

Around Washington, the young Marine officer suddenly became a celebrity of sorts when his role in the daring operation was reported. At the White House his star was clearly on the rise; as a result of the triumph, he was virtually given a free hand to carry the war to the terrorists and their state sponsors with as much creativity and energy as he could muster.

> ***Around Washington, the young Marine officer suddenly became a celebrity of sorts when his role in the daring operation was reported. At the White House, his star was clearly on the rise.***

"No lieutenant colonel ever had been given as much power—to rewrite US counter-terror policy—and to have such a huge impact on our foreign policy," reflected one senior State Department official close to North. He viewed it as "a colossal mistake."

"THE SHORES OF TRIPOLI"

Despite North's expanded portfolio and the daring seizure of the *Achille Lauro* pirates, terrorism was soon on the rise again. Terrorist organizations such as Abu Nidal's Black June, Yasir Arafat's Force 17, and the militant Shiite sect known as Hizballah were involved in new attacks, and nations such as Libya, Syria, and Iran showed little sign of reducing their support of terrorist proxies.

North believed that the only real answer was to strike at the "heart of the beast"—the terrorist-sponsoring states themselves—and make it clear that they would have to pay a significant price for supporting terrorists. Thus, he began to draft detailed contingency plans for striking directly at Libya, the most vulnerable of the state sponsors of terrorism. Unlike Syria, Libya was militarily weak and possessed only a limited air-defense system; and unlike Iran, which presented logistics problems, Libya was vulnerable to US military power, in the form of the Sixth Fleet and various NATO bases scattered across Europe.

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target, its leader, Colonel Moammar Gadhafi, was often called a "loony tune," and he had little international support, even in the Islamic bloc. His repeated threats to join the Warsaw Pact had been brushed aside by the Soviets. The late Egyptian president Anwar Sadat had once described Gadhafi as "100 percent sick and possessed of the demon," and former president of the Sudan Gaafar Nimeiri was even more direct. According to Nimeiri, Gadhafi had a "split personality—both evil."

On March 27 and March 29, 1986, Libyan classified messages were intercepted and decoded by Western intelligence. The messages, which had originated at the Libyan intelligence headquarters in Tripoli, ordered Libyan intelligence attachés posted in the "People's Bureaus" around the world, in a clear and unambiguous manner, to initiate terrorist attacks on American and other Western targets.

"Gadhafi's orders were such," North said, "that we had to move very quickly in order to prevent a major disaster." The intercepted message ordered the following: "Cause maximum casualties to US citizens and other Western people." The message had originated in Tripoli under Gadhafi's personal authority and outlined operational plans for more than ten terrorist attacks.

There was growing concern at the NSC that the Libyan terrorist attacks were imminent, but the problem for the North team was to identify specific targets before they were hit. By Friday, April 6, the NSC team was able to piece together enough of the puzzle to figure out that one target chosen by the Libyan operatives was a West Berlin bar, disco, or nightclub frequented by US servicemen. MPs were dispatched throughout West Berlin to pull American servicemen out of all night spots. Five minutes before MPs would have arrived at the La Belle disco, a powerful bomb ripped through it.

At this exact moment, Gadhafi—perhaps fearing that he had gone too far—initiated secret contacts with the Reagan administration, using a series of semiofficial channels and private individuals, including Italian businessmen and oil-industry sources. The administration, however, had lost all interest in Gadhafi's unorthodox overtures to Washington. "All the messengers and well-wishers were told to lay off," North said. "They were told to tell Gadhafi that he could approach us through Belgian diplomatic channels," the only approved point of contact.

The administration rejected Gadhafi's overtures not only because of the pending Libyan-sponsored terrorist attacks, but also because US intelligence had uncovered a Libyan plot to "buy" American hostages from a Shiite terrorist group. "We have solid intelligence that Gadhafi was trying to buy the six American hostages held in Lebanon from Hizballah terrorists that were holding them captive," North contended.

North said that Gadhafi had offered the Hizballah $100 million for the six Americans and another $50 million for the French hostages they were holding.

The NSC team was able to piece together enough of the puzzle to figure out that one target chosen by the Libyan operatives was a West Berlin bar, disco, or nightclub frequented by US servicemen.

Most of the hostages were imprisoned in a four-story building near one of the runways at Beirut International Airport, in cells two floors below the ground. The building also housed Hizballah families on the upper levels. To block Gadhafi's offer of cash in exchange for the hostages, North said in April 1986: "The US has moved to free the hostages." He refused to elaborate on the details of the US countermove at that time, but it is evident today that secret contacts with Iran were under way and that North hoped they would deliver the American hostages from Libya's grasp.

It was evident to North and other administration planners that the La Belle disco bombing had been the opening salvo of the new terrorist offensive ordered by Gadhafi in late March. North explained, "We were running out of time and working against the ticking terror clock." North knew that protective measures were not enough and that the time was rapidly approaching when the US would have to launch pre-emptive military strikes against terrorists and their state sponsors.

On Wednesday, April 9, during an NSC meeting in the Oval Office, the President was provided with additional information on the Libyan terrorist campaign. The President concluded, "The evidence is irrefutable. It is conclusive. We have to move to stop them from carrying out those terror operations."

North wanted to employ surgical means to hit Gadhafi. The Joint Chiefs of Staff at the Pentagon wanted to repeat the strategy employed in the March skirmishes for the Gulf of Sidra, which saw US warplanes attack Libyan patrol boats and land-based radars, and the 1981 sorties in which US F-14s shot down two Libyan fighter-bombers over the disputed waters. North failed to win agreement on using a SEAL team to infiltrate Libya to plant homing devices capable of guiding "Smart" bombs. Had one of the laser projectors been secretly positioned on the grounds of the Azziziya barracks, where Gadhafi lived, he might not have survived the attack and civilian casualties might have been reduced.

The April 9 NSC meeting concluded without the issuance of an executive order for the Libyan air raid. After the NSC meeting, two NSC staff teams met and prepared a target list. Five targets were selected and quickly approved. First on the list was the Azziziya barracks compound, which housed command and communications centers for Libyan military and intelligence operations. It also contained Gadhafi's personal quarters, where his family lived, and the Bedouin tent where Gadhafi often slept.

With up-to-date intelligence from the Israelis, several members of the NSC staff felt that there was a strong probability that "we will get Gadhafi himself." While there was concern that Gadhafi's death not appear as an assassination, but rather fate—being in the wrong place at the wrong time—the replacement of the Gadhafi regime was clearly the Reagan administration's unspoken goal in the raid. Whether Gadhafi was killed in the actual raid or whether he was toppled by a coup triggered by the attack made no difference. What was important was that the Libyan government be dissuaded from using terrorism as an instrument of national policy, and if the best way to achieve that result was the removal of the existing regime in Tripoli, so be it.

On Thursday, April 10, North and Navy and Air Force planners completed the final political and military review in advance of the raid, recommending that the attack be carried out at 2 AM, Tripoli time. This decision, North later confirmed, was predicated on new intelligence information from the Israelis on the readiness of Libyan air defenses. It had been learned that the last Libyan duty officer left his post at midnight, whereupon the entire Libyan air-defense system was shut down. The only remaining threat came from Syrian MIG-21 pilots that manned the Libyan first interceptor squadron on a 24-hour-a-day basis. The Syrian interceptors, however, were not operationally independent and therefore could not engage an enemy attack without clearance. Each of their sorties had to be cleared in advance with the Libyan supreme command or with Gadhafi personally. Based on that information, said North, "we were rather sure that at 2 AM it would take the Syrians hours before they could obtain clearance for an interception sortie."

Although the actual date of the attack had not yet been set and was awaiting final presidential action, by April 10 "everything was in place and all systems were ready to go," observed a Joint Chiefs of Staff source. When the National Security Council met the following day to select a date for the raid, based on recommendations from Bill Casey and North, it was decided to postpone the operation. The decision was taken mainly because of Casey's insistence that more time be given to pull his agents—"who risked their lives for us"—out of Libya or permit them to reach more secure locations. Despite the delay, not all the CIA's agents were able to get out of Libya before the raid, although there is no evidence that any of them were later killed or captured.

The decision was taken to postpone the operation mainly because of Casey's insistence that more time be given to pull his agents—"who risked their lives for us"—out of Libya.

North wanted to postpone the operation for a few days to obtain more exact intelligence from NSA and the Israeli spy plane on targets. North also was concerned that "too many operational details were being kicked around and too many administration officials and press people were involved in irresponsible speculation" about the possibility of US military action against Libya. "Those who leaked and talked publicly about sensitive intelligence and speculated about the military operation," North argued, "jeopardized the lives of US servicemen and US citizens overseas."

On April 12, Casey informed those gathered for a Saturday meeting at the White House, who by this time were working around the clock, that all his people were safe. Meanwhile, the media had begun to downplay the chances of a military strike against Libya, thus making surprise more likely. The extra time had also resulted in the collection of far more precise data on targets and the location of Gadhafi and other senior Libyan officials. Thus, "at that Saturday meeting," North later observed, "we recommended that the air strike be carried out on Monday night, April 14, or on Tuesday morning, April 15, according to Libyan local time."

When the President returned from

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Ad Council

Camp David on Sunday afternoon, April 13, the NSC was convened. The President was briefed by the national-security adviser on preparations. Then he presented Reagan with options and a draft of the final operational plans. No objections came from any of the NSC members. Admiral Crowe did a short briefing on the final military plan of action. The President asked if his request for a mechanism to recall the planes short of their targets had been implemented. Assured that the command post maintained the ability to abort the operation up to ten minutes before the attack, or at 6:50 PM Eastern Standard Time, the President appeared to be satisfied.

As the final details were being discussed, Reagan instructed aides to prepare a meeting the following afternoon with congressional leaders. Around 4 PM, the President gave final approval to the operation, but not before making angry comments concerning leaks, which he regarded as endangering the safety of the entire mission. The executive order drafted for the operation called for an air strike against "terror targets inside Libya" on Monday night, April 14, 1986.

The President met with congressional leaders on Monday afternoon. The F-111s were already in the air, and he told the assembled members of Congress that if anyone demurred, he would recall the planes at once. No one voiced any objections. The air strike went forward.

Before they left, members of Congress were warned by the President to be extremely careful with their statements to the press. "Whatever you say to the press outside," one participant recalls the President as saying, "will affect the lives of the US pilots."

Despite the President's admonition, House Majority Leader Jim Wright and Senate Minority Leader Robert Byrd told reporters after the meeting that the President was expected to address the nation that evening at 9 PM. To anyone reading between the lines, it was clear that something big was afoot, and because Libya was the issue dominating the headlines, an unexpected presidential address to the nation could mean only one thing. But despite the flurry of media speculation, the Libyans apparently did not get wind of the attack.

At 6:53 PM, EST, the first F-11 crossed the Libyan coastline. The F-111s were flying into the Libyan desert in order to wheel around and attack their targets from the south. At 7 PM, the Sixth Fleet launched its fighter-bombers. Five minutes later, Cable News Network broadcast the first news of the attack from Tripoli, and White House spokesman Larry Speakes was directed to meet with the White House press corps. He changed his tie and rushed to the press room. At 30 seconds after 7:30 PM, the attack was broken off and all planes were reported to be leaving the area.

The mood in the White House Situation Room was one of jubilation. National-security adviser John Poindexter was moving around the room shaking hands with his staff. Upstairs in the Oval Office, President Reagan was preparing his address to the nation. North was continuing to monitor the returning warplanes, and reports that one of the planes might have gone down were beginning to reach him. Soon it was confirmed that one of the eighteen F-111s was unaccounted for.

North received a copy of the President's remarks only minutes before Reagan was supposed to go on the air. Suddenly North leaped from his chair and bolted from his office, running for the Oval Office.

North received a copy of the President's remarks only minutes before Reagan was supposed to go on the air, and he gave them a furious once-over. Suddenly, he leaped from his chair and bolted from his office, running for the Oval Office.

Seconds before 9 PM, North burst into the Oval Office and made a direct line for the Teleprompter. The President looked up from his papers and stared at North, who was erasing a line from the speech on the Teleprompter.

"What are you doing, Ollie?"

As North finished erasing the line, which said "and they have all returned safely to their bases," he turned to the President: "Sir, we have lost a plane over the Libyan coast."

Reagan continued staring at North in silence for several seconds as if the news had hit him hard.

In retrospect, the mission was to some extent a failure, as neither Gadhafi nor his regime was eliminated.

But as a political counter-terrorist operation, the raid was highly successful. The United States had turned the tables on Libya's erratic strongman: The hunter had become the hunted.

The raid was also aimed at Washington's European allies as a demonstration that the US was prepared to go it alone, if necessary, to protect its citizens and national interests.

OPERATION "EL DORADO CANYON"

Despite the fluidity of the situation in Libya after the US bombing raid, Gadhafi was able to exact a minor degree of revenge on the US and Great Britain. One day after the raid, two British and one American hostage were executed in West Beirut. According to North, "The Libyan military attaché in Damascus, Major Halifa, was personally responsible for the kidnapping and handling of the three hostages murdered in West Beirut on April 16." North said that it was Halifa who actually killed the three men.

The three hostages were being held by a Hizballah splinter group controlled and financed by Gadhafi. A note found with the bodies indicated that they had been killed in retaliation for the US raid. Initially it was believed that all three men were British citizens: Leigh Douglas, a lecturer at the American University in Beirut; Philip Padfield, director of a private language school in West Beirut; and freelance journalist Alec Collett. Later, it was learned that the body believed to be Collett's was in reality the remains of American Peter Kilburn, a 60-year-old librarian at the American University.

The murder of Peter Kilburn was particularly painful for North, because he had come very close to securing the release of the quiet American librarian. North and other US officials had hoped to win Kilburn's freedom with a multimillion-dollar ransom payment made with chemically treated bills that would disintegrate within 72 hours, thereby denying the kidnappers any reward for their efforts.

The killings in Beirut were not the only act of revenge. In the weeks that followed, one American diplomat was shot in Aden, South Yemen, and another in Khartoum, the capital of the Sudan. In the two months following the raid, the United States experienced eleven terrorist attacks that could be linked to the action against Libya.

TRYING TO SAVE THE HOSTAGES

The failure to rescue Peter Kilburn was one of many setbacks in the effort to free American hostages in Lebanon. No problem consumed more of North's time during his last two years on the NSC staff, with the possible exception of trying to keep the *contras* resupplied. North regarded the hostages, at least initially, as a group of addle-brained do-gooders who had failed to exercise good judgment, or who wrongly believed that their "love for the Arabs" would render them secure in a city that was coming

David Jacobson (left) was running the American hospital in Beirut when taken hostage; he was freed in October 1986. He met North in Cyprus, and then again at dinner at the Chevy Chase home of David Halevy (right), then a Time correspondent, and his wife, Mikki (next to North).

apart at the seams.

William Buckley was not in this category. He was the CIA chief of station in Beirut, and his kidnapping had elicited much concern within the government. The CIA was said to possess a tape of Buckley's torture that brought tears to the eyes of all who heard it. North and the CIA went to extraordinary lengths to get Buckley back.

Of the other hostages, North felt that only Terry Anderson, a reporter for the Associated Press, had had any business being in Beirut after the situation began to deteriorate in late 1983. North felt that the hostages had put their nation in an awkward position because of their egocentrism and arrogance, and he railed at the media for its willingness to portray US foreign policy in the region as itself hostage to the hostage issue.

What changed North's position was the President's deep concern over the plight of the hostages. The hostages' families put pressure on the administration through the media to do something, and Reagan was touched by their pleas. Later, North would remark bitterly of attacks on the President and the administration by some relatives of the hostages, saying, "Not a day goes by that the President does not ask about the hostages." Reagan directed North to do everything in his power to secure the release of the captive Americans.

North dutifully threw himself into the task. He met frequently with family members and tried to assure them that everything possible was being done. Carol Weir, wife of hostage Reverend Benjamin Weir, later observed that North was the "most humane" person she dealt with in the administration.

North explored many channels in his quest to free the hostages, and virtually all were dead ends. Finally, he turned to Iran, because the Shiite factions holding Western hostages in Lebanon took direct orders from, or at least were influenced by, Tehran. Secret diplomacy with Iran was already under way, involving direct links to the Iranian faction headed by Speaker of the Iranian Parliament Hojatolislam Hasheimi Rafsanjani. It was by this means that North and his colleagues were able to secure the release of four hostages: Jeremy Levin, Reverend Benjamin Weir, Father Lawrence Jenco, and David Jacobsen. There is evidence that they were on the verge of freeing Thomas Sutherland and Terry Anderson when first reports of the secret US-Iran dialogue surfaced.

OUT FROM THE SHADOWS

As North began playing an increasingly important role on the NSC staff, he became the darling of the right, who saw in him the embodiment of all the so-called Reagan virtues. He was tough, virile, religious, and a "real Reaganite" in a foreign-policy establishment viewed with distrust and suspicion by conservatives. Former White House political adviser and conservative activist Morton Blackwell described North as "our man." His White House briefings on Central America were praised by almost all who heard them, and he began speaking to select groups of administration supporters in other cities.

North's rising profile elicited attention in the media. It also brought him to the attention of the Soviets, who, on August 22, 1985, in *Izvestia*, published the first profile of him in any publication. Written by *Isvestia* correspondent A. Palladin, it called North "the face behind the make-up: the favorite of the American extremists." The *Isvestia* story described his origins and background in some detail, reporting that he was "the 'brains' behind the formulation of the plans for the invasion of Grenada." It said that "he compiled a treatise on combatting 'international terrorism' [Washington's name for national liberation movements] in which he persistently argued that 'neutralization,' in other words murder, should not be shunned." It also accused him of acting as an intermediary between the *contras* and "the White House, the CIA, the Pentagon, the State Department, and extremist organizations thirsting to battle with the 'Reds.'"

Once he was profiled in Moscow's state-run press, North not only felt that his position as a covert operator was compromised but recognized that the Soviets had targeted him in a way that increased the risks to his own safety and that of his family. Only weeks later, his name appeared on a "hit list" released by Palestinian terrorist Abu Nidal. North and those in the US intelligence community were convinced that the *Isvesnia* profile and the Abu Nidal hit list were the work of the Soviet KGB.

But if international terrorists and the Soviets were gunning for Oliver North, so were a number of liberal members of Congress who viewed him as the power at the White House that kept the *contras* fighting against the Sandinista regime in Nicaragua. North had been part of the planning group that ran the mining operation of Nicaraguan harbors, and he evolved into the chief cheerleader and quartermaster of the ramshackle army based in southern Honduras. He supervised "Project Democracy," which found funds and weapons for the *contras* during the congressional ban on aid, arranged meetings with President Reagan and other senior administration officials, mediated their internal disputes, and assisted them in their dealings with Central American governments.

According to his critics, North was the Svengali of the *contra* movement; to his admirers, he was more their Lawrence of Arabia, as passionately dedicated to their cause as he was opposed to the Sandinista regime they were fighting.

In the end, the *contras* would be part of Oliver North's undoing. Ironically, North's congressional foes such as former representative Mike Barnes and Senator John Kerry were never able to lay a hand on him while he was at the NSC. It would be the exposure of the administration's secret diplomacy with Iran and the diversion of arms profits to the *contras* that would ultimately bring about his downfall.

"THE BOYS DOWN SOUTH"

For the Reagan administration, the war against the Sandinista regime in Nicaragua was an obsession. North and many of his colleagues believed that the "poison of communism," long confined to Cuba in this hemisphere, had finally reached the American mainland, and unless it was excised, it would corrupt all the nations in the region.

CIA chief Bill Casey passionately thought that it was enough for the United States to win one nation back from the Soviets in order to start an avalanche that could bring down the Soviet empire.

President Reagan and a number of other senior administration officials shared Casey's commitment to finding the Soviet Achilles' heel. No one was more committed to the Reagan doctrine than Oliver North, and if Casey was the architect of the policy, North was its sword.

"What we are facing in Central America and in Nicaragua," contended North, "is much more than just a regional crisis. We are fighting for our ability to survive and to prevent another world war." North never hid his support for the *contras*, and made only a minimal effort to hide his role in providing them with weapons, intelligence, and supplies. His role was widely known around Washington, and many people were given glimpses of his operation from time to time. It was not unusual to be sitting in his office in the Old Executive Office Building and to hear Fawn Hall interrupt him with an urgent phone call from "the boys down south." North would occasionally admonish the visitor to "forget everything you're about to hear," and then, without hesitation, pick up the telephone and bark commands to his field operators in Central America. One of them joked that North had come to be known as "Mr. Sir" because whenever he got a call from North, the field operator's end of the conversation went something like: "Yes, sir. Yes, sir. Affirmative, sir. Right, sir. Okay, good-bye, sir."

From his office, which served as a kind of command and control center for the *contra* war, North would be patched through to creaky prop-driven planes overflying Central America and dropping supplies and arms: "Echo, Charlie. This is Tango One. Where are you?" North's transformation into a master of an army in the field, like some nineteenth-century adventurer, left many of his friends and journalistic acquaintances almost speechless.

As he was liked and admired by most of those who knew him, there was also concern as to where his mandate originated, or whether he had a mandate at all. He often was asked, "Who gave you the authority to carry out these operations?" The answer was always the same: "You don't believe I would be doing this without authority, or without proper clearances, do you?" Sometimes he would add, "The President knows every move I make." It was hard to believe that anyone at the White House could be oblivious to North's activities.

North was simply the most visible *contra* supporter, beyond the President, at the White House. Despite the congressional ban on aid to the *contras*, many officials at the White House and the CIA played continuous and uninterrupted roles in developing and supporting the *contra* army, and as a part of this process maintained secret but intimate ties with the FDN (Front for Democratic Nicaragua) and its political and military leaders.

> *North never hid his support for the contras, and made only a minimal effort to hide his role in providing them with weapons, intelligence, and supplies. His role was widely known around Washington.*

In reality, according to one high-ranking Reagan-administration official, "It was a CIA-run operation from day one." From the very beginning, the CIA had full control over the *contras'* military operations, budget, political alignments, and quartermastering.

"Without CIA authorization, the *contras* could not carry out one mission," maintained the official.

Even before the Boland Amendment, the CIA had faced a major problem: What had started out as a relatively small guerrilla band had mushroomed into a major military and political movement, compelling the agency to search for a new mechanism to oversee a covert operation that was no longer covert. In a sense, the CIA's problems were a result of its success.

Bill Casey in particular had grand designs. "He saw this as a great opportunity . . . not so much for the agency but for the Reagan ideology," explains one CIA official who believed that Casey hoped the *contras* would one day topple the Sandinista regime. From the outset the *contras* received mixed signals from Washington, which sowed confusion and distrust within the movement.

During the three years that the CIA managed the *contra* operation, the agency spent between $60 million and $80 million to train and build up the force. Once Congress compelled the CIA to abandon the *contras*, control was passed to the National Security Council, and North was the point man. Initially, the NSC sought to maintain an appropriate distance from the operational needs of the movement, but North and his White House superiors could not long remain indifferent to pleas for help from the US-created army, which was sweating and dying on the field.

First came requests for money, and North responded by using his offices as a White House staffer to encourage wealthy Americans to contribute to the *contra* cause. In this, he was assisted by the President and other White House officials. No NSC staffer, however clever, could have collected millions of dollars for the *contra* cause from nations like Saudi Arabia, Brunei, South Korea, and Taiwan without the unambiguous support of top White House officials.

Soon the *contras* were in need of weapons and ammunition, and once again North used his position at the White House, approaching arms dealers with close ties to the CIA and the Defense Department and keeping his superiors informed each step of the way. Not only did he directly approach Mrs. Thatcher for the British-built blowpipe missiles needed by the *contras* to counter the threat from Soviet MI-24 gunships, but he helped them purchase small arms and ammunition directly from Eastern Bloc nations. None of this would have been possible without the support and backing of the President and CIA Director Casey. None of the arms and materiel would ever have reached the *contra* camps along the Rio Coco if there had been the slightest doubt by anyone that North's activities were sanctioned by higher-ups.

THE POLISH TRAIN ROBBERY

North's most audacious effort to supply arms to the *contras* involved the outlawed Polish trade union Solidarity. Because the Sandinistas were almost entirely outfitted with Soviet-made and Eastern Bloc weapons, emphasis was placed on supplying the *contras* with similar weapons. It was believed that providing the *contras* with American-made weapons would focus too much attention on the US supply link, not to mention that Soviet-made weapons are generally more simple to operate and could use captured ammunition.

After being turned down by the Israelis, North went to the CIA and, using

Dr. Jonas Savimbi, leader of the Angolan "freedom fighters," came to Washington last year and appeared with Ollie North and Neil Livingstone (left), a counter-terrorism expert.

CIA connections, made contact with a French businessman, Glenn Souham, who had close ties to Solidarity. Souham assisted North in opening a channel to the Solidarity underground.

Souham reportedly served as an adviser to the White House Advisory Council on Private Sector Initiatives and is alleged to have met with North on several occasions and with President Reagan at least once. His meeting with Reagan was as part of a group of businessmen who had traveled to Grenada in the wake of the US invasion. Souham was shot to death in September 1986 in front of his Paris apartment, at the moment his father, the head of a well-known European public-relations firm, was in Washington meeting with White House officials. There is speculation that Souham was murdered by Eastern Bloc agents because of his activities as a White House channel to Solidarity.

Solidarity leaders promised to help North and turned to their supporters in the Polish railway union. Using false documents provided by North and the CIA, a train loaded with Soviet arms intended for the Polish Army, including AKM assault rifles and SA-7 missiles, was diverted from a Polish pier to East Germany. From East Germany, the arms were smuggled into West Germany after bribes were paid by Western agents to local officials, and subsequently shipped to *contra* warehouses in Honduras. The operation lasted for two weeks, during which members of Solidarity risked their lives. To reroute the train to East Germany, it had been necessary at times to hide it at remote stations and on isolated railroad sidings.

Despite the money and weapons, the *contras* didn't emerge as a real threat to the Sandinista regime. In late 1984 and 1985, *contra* leaders blamed their inactivity on resupply problems. "We are able to fly into Nicaragua for a supply drop only when the weather is too bad for the Sandinista pilots to take off," said Juan Gomez, a former National Guard pilot and *contra* officer, "but not so bad that it will force us to ground our planes. Many times we fail to establish radio contact with the drop zone. Our people are either on the run from the Sandinistas or simply did not make it."

North stepped in to reorganize the resupply effort. He brought in Southern Air Transport to run the operation. Southern established a Panamanian company to operate the C-123s that would be used. The C-123 was quicker than the C-47s used by the *contras* and could avoid radar detection by flying very low.

In August 1985, the new operation was launched and quickly became more reliable. As the operation was run as a covert enterprise, the manifests had to be rewritten in order to satisfy the Federal Aviation Administration and not arouse suspicion. The Central American countries needed flight manifests that would enable them to claim ignorance.

The amount of paperwork required to mask the mission when the planes traveled to Dulles International Airport to pick up military supplies was immense. In addition to manifests, landing rights, and other paperwork, the pilots needed detailed maps of the regions over which they would be working, up-to-date intelligence on Nicaraguan air-defense systems, and current weather reports. As the supply runs were routinely done on a twice-weekly basis, the amount of planning and support needed could not have been done without considerable assistance from within the US government.

When one of the supply planes, a C123K with an American crew, was shot down on October 5, 1986, it presaged the beginning of the end for the secret *contra* resupply effort run out of North's office. A former Marine Corps parachute rigger and ex-CIA employee, Eugene Hasenfus, the plane's cargo "kicker," survived and was put on trial in Managua. Hasenfus described the resupply team based at Ilopango, including two Cuban-Americans who he indicated had CIA connections. He even suggested that the effort had the personal sanction of Vice President George Bush. The downing of the cargo plane and revelations from Hasenfus set off a firestorm of controversy.

Just as the controversy was beginning to die down, more sensational revelations followed in the wake of an article published in *Al-Shiraa*, a weekly magazine published in Moslem West Beirut, concerning clandestine American dealings with Iran and allegations that the US was swapping arms for hostages.

CRACKUP

Late Monday afternoon, November 24, 1986, a grim-faced Attorney General Edwin Meese went to the White House to report on the Justice Department's investigation into reports that the United States had secretly shipped arms to Iran. Meese had been summoned to brief his long-time friend Ronald Reagan.

Meese told the President not only that some arms had been shipped to Iran, but that as much as $30 million in profits from the arms sales had been diverted to fund the *contras*, despite the congressional prohibition on all US aid. The action, according to Meese, had apparently been engineered by members of the National Security Council, with the full knowledge of national-security adviser John Poindexter. Reagan assured Meese that he had not been aware of the covert funneling of money to the *contras* or of any details of the Iranian arms transfers.

Oliver North had no idea that he was about to be fired. He knew that his tour of duty on the National Security Council was over, but being fired was something else. On the morning of November 25, the mood in his new office, overlooking the South Lawn of the White House, was one of calm resignation to his impending departure. Only Fawn Hall, who was crying bitterly, betrayed the emotion that everyone felt that morning. North's other secretary, Barbara Brown, who normally served as file clerk and backed Hall up, was handling the five-line telephone.

Sometime after 10 AM, one of North's close friends, a former Marine officer walked into the office, unaware of the unfolding events. He found North coo and collected, working at his desk and packing his personal belongings.

"How you doing, pal?" he asked.

"Fine, fine," North responded. As his friend took a seat, North informed him that he had been told to prepare for his abrupt departure from the NSC staff and that the President would soon appear on national television in connection with the Iran-*contra* affair. "From the moment I walked into his office until I left, much after noontime, the phone rang constantly," recalls North's friend. Among those who called were North's mother and his wife.

"Everything was in order and under control, and he was looking forward to his next assignment," the friend says.

Barbara Brown was not putting through most of the calls from journalists, most of whom were simply looking for a quote from North. Others, like Diane Sawyer from CBS, called to offer their help and support, as did many others from the CIA, the Defense Department, and even State. "I don't recall any phone calls from the President or the Vice President or other top-ranking administration officials," says the friend. "But aside from the top guys, everybody called either to say good-bye, to offer help, or just to have a quick chat with a colleague in need."

While North, between telephone calls, gathered up his mementos and put his desk in order, he and his friend reminisced about their days in the Marines, trips they had taken abroad together, and mutual acquaintances.

"I know you, North," concluded the friend, looking for something positive to say. "This is not the end, but for you it is just a new beginning."

As they spoke, North's office was slowly filling up with people: Hall, Brown, Lieutenant Colonel Bob Earl, Commander Craig Coy, and former CIA and NSC staffer Vince Canistraro. Earl and Coy sat at the conference table while North's friend, the former Marine officer, was seated in a chair opposite North's desk.

Hall was composed by now, and she and Brown were rushing in and out of the room to handle the endless stream of telephone calls. North was behind his desk, tense and alert, waiting to hear what the President had to say.

There was no sense of panic, or of an unfolding tragedy. Rather the mood was one of transition, of the passing of an era. North continued to shuffle the papers on his desk in a distracted fashion, as if forcing himself to stay busy, while the media were assembling in the White House press room. As they waited for the President to appear, he began to talk about the things he had tried to accomplish—in Central America and against international terrorism—and spoke sadly about his failures and unfinished agenda.

"Ollie was completely convinced that he had never deliberately broken the law," observes his friend. "But he was deeply concerned that in the end he had not served his President well."

Sometime during the long wait, North's attorney called, and after a brief conversation North asked him to come over to his office. Hall once again became emotional. While expressing the fear to those assembled that "they" would try to crucify him, North never indulged in self-pity. His only thoughts were for the President, whom he had served with loyalty and conviction.

Finally, the President came on the television, and North learned that, far from being transferred to a new assignment while the dust cleared, he had been fired, summarily dismissed.

Finally, the President came on the television and North learned that far from being transferred to a new assignment while the dust cleared, he had been fired, summarily dismissed.

He was stunned. No one had told him, or even given him a heads-up. He was now an outsider, and if he was not careful it was evident that the President's handlers had already decided to cast him overboard in an attempt to see if it would satisfy the circling sharks. While no one mentioned the word, everyone in North's office was thinking scapegoat.

Sometime later, North's lawyer showed up and the little gathering adjourned to permit North to confer in private with his attorney. The whole nature of the drama had changed in an instant; lawyers were now a very big part of his life.

Oliver North, the Marine, the fighter, was now engaged in what would surely become the most intense and compelling fight of his life—a fight for his reputation, his honor, his sense of what was right. In the months ahead he would be portrayed as everything from a thick-headed Marine with "tunnel vision" to a crazed, Vietnam-scarred special operator running amok throughout the world. The Senate/House hearings would reveal that he had cashed nearly $2,500 in traveler's checks given to him by *contra* leader Adolfo Calero at such locations as supermarkets and gas stations, thus calling into question his integrity and honesty.

No one present in North's office on Novem[illegible] could know the magnitude

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of the crisis or where it would lead, but one thing was certain: Things would never be the same for any of them again.

OLIVER NORTH: THE LAST CAVALIER

Someone said that Oliver North did not belong to this century. He was a throwback to an earlier, simpler time—an anachronism. One can imagine him leading a charge on a galloping stallion, waving his sword high over his head, more easily than one can picture him in the control room of the modern electronic battlefield, fighting with telephones and computers, drones and remote weapons.

President Reagan's former spokesman, Larry Speakes, says of North: "The thing with Ollie—I think he was a patriot; I think that's true. But I sometimes felt that he thought he was playing some kind of role, that he was watching a movie on the screen with himself the star in it."

There is little doubt that North had a swashbuckling self-image, but whether he ever lost touch with reality is open to question. There is an obvious irony in North as the star of Ronald Reagan's movie, played out not on the sound stages of Hollywood but on a global stage using real soldiers. The truth is more complex.

North was the quintessential romantic who always stood up for women, who could not look at an American flag without becoming misty-eyed. He had little patience for the pettiness and shallow vision of other men. He was a man who wanted to do great things in the pursuit of great ideals.

More than any other quality, it is his daring that one remembers most about North. His contempt for naysayers and the timid of heart was known to everyone; others would ask, "Why?" when a bold plan was put forward. North would ask, "Why not?"

It may be that North was not the kind of man who should have been given a sensitive position on the National Security Council and that the real fault lies with those who hired him and used him for so long.

"Do you know why we get along with him so well?" General Simhoni once observed. "It's because he is more of an Israeli than we Israelis."

It was true. North had the same romantic, audacious, pioneering spirit that is so identified as part of the Israeli character. Like the Israelis, he reveled in cutting corners, in improvising, in getting things done—damn the ruffled feathers and the hurt feelings. He had chutzpah, and along with it the kind of arrogance often attributed to the Israelis, who have little time for excuses and failure.

In some respects, North's problems stemmed from his admiration of the Israelis and their methods. What North apparently never grasped was that the United States, a great power with global commitments, could not behave the same way that Israel, a tiny nation surrounded by enemies, routinely does.

He lacked, one must conclude, perspective. It was one thing for the Israelis to carry out high-risk, seat-of-the-pants operations or to strike back at their enemies with a damn-the-consequences attitude. It was another thing for the US to operate the same way.

> *North often boasted, in a quiet way, of his ability to strike up a rapport with terrorists and extremists. "I'm the only one who can talk to revolutionaries," he would say.*

North's powerful personality, and the depth of his convictions, attracted others to him, and those men became his informal network. Like a good combat officer, he never asked them to take risks that he was unprepared to take, and they repaid his concern for them with intense loyalty.

Yet despite his rigid personal standards and the machismo he radiated, North was surprisingly tolerant of others with different lifestyles and personal habits. He often boasted, in a quiet way, of his ability to strike up a rapport with terrorists and extremists. "I'm the only one who can talk to revolutionaries," he would say. While he despised everything they represented, there was something deep within him that empathized with them and their lonely struggles. Perhaps it was because revolutionaries are, at their most elemental, also romantics.

North found it convenient to use the services and skills of two gay men in raising funds for the *contras*, without any jokes or comments regarding their proclivities. For North, values came first; if you were on the right side, for the right reasons, he could forgive a lot.

On the other hand, no matter how distinguished an individual's service record or contributions, if North perceived he was injuring the nation through his support of wrong-headed policies or just plain stupidity, he could not forgive him.

North was never a consensus man; the truth was not something to be brokered—it was an absolute. Perhaps it was because of his righteous certitude that he felt so little trepidation in getting down in the gutter and slugging it out with the scum bags of the world; North possessed an almost mystical certainty that he would never be tainted, that the filth would never rub off on him.

While North could be a charmer to those outside government, to those inside he was often a terror. He was not cowed by rank or position, and he regularly walked over or pushed aside those he regarded as impediments to carrying out the President's will. His real ability was as a mover and shaker, the man who could get things done. It was his ability to deliver when others could not that permitted him to amass so much power.

For the past six years there was no one at Langley, Foggy Bottom, or the Pentagon in a senior position who did not know that North operated under the presidential shield. He had the President's personal protection and support, and no one dared oppose him. Despite the Secretary of State's animosity toward North, he walked carefully around him, never taking him on directly. North even met with foreign leaders, highly unorthodox for an NSC staffer, and all assumed that he represented the President of the United States. A note from North opened doors in Honduras, even to the presidential mansion, and as the Tower Commission reported, he was so certain of his position that he was unafraid to threaten the President of Costa Rica on the telephone.

Oliver North was created by the frustration that every President since Kennedy has felt in trying to move the government. Without exception, they have complained of the intransigence of the federal bureaucracy and meddling by Congress in areas normally reserved for the executive. That the National Security Council became operational under Ronald Reagan is not in question. But the blame is not Reagan's alone. A bloated federal bureaucracy incapable of moving to protect American citizens and national interests from terrorism is also to blame. By mandating extensive oversight of covert operations, Congress made it inevitable that the administration would find a way of avoiding oversight requirements. The result was an operational NSC and a network of private contractors.

While he lasted, North gave flesh and blood to the Reagan doctrine and passion to the war against terrorism. In a world beset by enemies, the United States will be less secure without him.

EXHIBIT OLN-332

EXHIBIT
OLN 332

UNCLASSIFIED

238466

September 20, 1985

Dear Felix:

AFTER READING THIS LETTER PLEASE DESTROY IT. You may keep the photographs.

Within the next 15 days, the Unified Nicaraguan Opposition (UNO)/ Nicaraguan Democratic Force (FDN) air arm will commence operations with two new types of aircraft: the C-7, CARIBOU and the M-740, MAULE STOL (see enclosures). These aircraft will be used for air drop/aerial resupply to units inside Nicaragua.

Two contract C-7s are scheduled to arrive i[redacted]on or about October 10. Initially the aircraft will be flown by U.S. citizens who are employees of the firm contracted to provide delivery services for the FDN. It is intended that these aircraft will operate primarily at night, performing paradrops to units deep inside. Nicaraguan aircrews will be trained to fly these missions as soon as possible.

The resistance has also purchased a number of new MAULE aircraft shown in the enclosed photograph. These STOL a/c will be used for day and night short-haul missions to include MEDEVAC and aerial resupply. Each aircraft comes with a spare parts package and a maintenance line has been established. Two aircraft have already been delivered. More will follow. All will be flown by Nicaraguan pilots or other Latin Americans -- not U.S. citizens.

Eventually both types of aircraft will also operate in support of the [redacted] front from fields [redacted] Neither [redacted] or [redacted] have adequate sites for maintaining these aircraft. The only location which provides sufficient OPSEC, ramp space and occasional hangar time for servicing these aircraft is at [redacted]

Since this is a completely compartmented operation, being handled by the resistance, you are the only person in the area who can set-up the servicing of these aircraft with [redacted] and [redacted] both have a high regard for you and you may use my name privately with either of them but no others. You must not advise [redacted] you must also keep knowledge of this project from [redacted] who is not working with our people.

Would you, therefore, approach [redacted] and [redacted] with the following proposal:

-- Service space for one C-7 on a one day a week basis. A representative of the C-7 contractor will ensure that all parts and maintenance items are delivered to FDN service technicians (three) as needed. No [redacted] parts or maintenance will be required.

Partially Declassified/Released on 12 May 1987
under provisions of E.O. 12356
by C. Reger, National Security Council

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N 30467

-- Service space for occasional MAULE maintenance with parts and supplies handled the same as above. Again, no [redacted] parts or labor will be required.

-- This plan requires only discrete use of th[redacted] space and no use of FMS, MAP, and/or Agency funds, equipment, and/or personnel. The contractor will guarantee discretion.

Please advise soonest as to [redacted] acceptance of this proposal. If [redacted] and [redacted] agree, a representative of the maintenance contractor will arrive and seek you out. He will identify himself as coming from Mr. Green.

Warm regards, hope all is well with you. We hear nothing but good reports about your work. Keep it up. Vaya con Dios!

[redacted]

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N 30468

CARIBOU
C-7

Manufacturer:	De Havilland
Power Plant:	Dart recip
Crew:	2 Pilots; loadmaster
Passengers:	37 Troops
Payload:	9,700 lbs.
Cruising Speed:	150 kts (max.)
T.O. Run:	950 ft.
Landing Run:	1,550 ft.
Range:	1,700 nm
Costs:	$751./flt. hr.

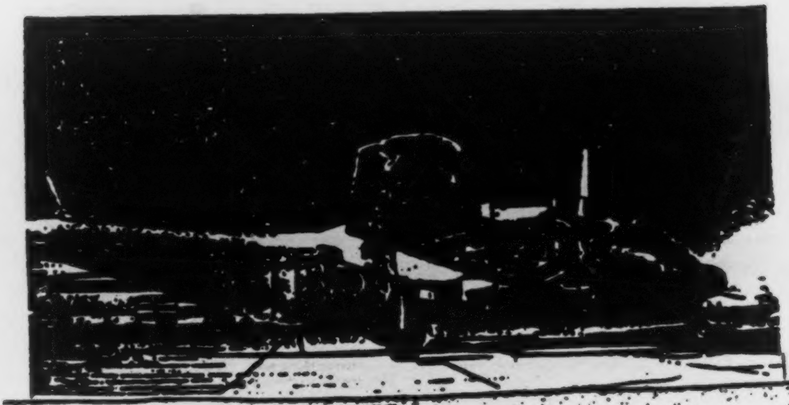

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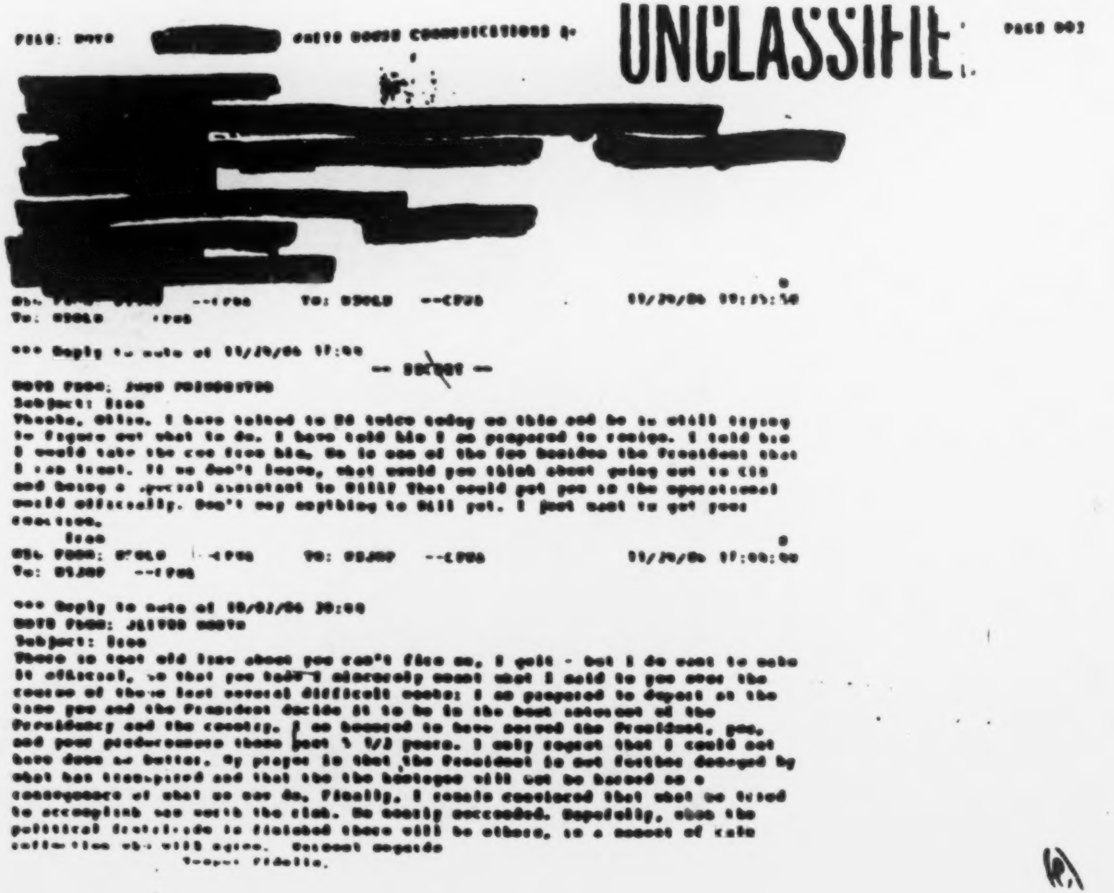
Exhibit OLN-333



FILE: NOTE [redacted] WHITE HOUSE COMMUNICATIONS A· UNCLASSIFIE PAGE 002

[redacted]

NSA [redacted] --CPUA TO: NSOLN --CPUA 11/20/86 19:25:58
To: NSOLN --CPUA

*** Reply to note of 11/20/86 17:00
-- ~~SECRET~~ --

NOTE FROM: JOHN POINDEXTER
Subject: Iran
Thanks, Ollie. I have talked to [illegible] twice today on this and he is still trying to figure out what to do. I have told him I am prepared to resign. I told him I would take the cue from him. He is one of the few besides the President that I can trust. If we don't leave, what would you think about going out to CIA and being a special assistant to Bill? That could get you in the operational world officially. Don't say anything to Bill yet. I just want to get your reaction.
John

NSA FROM: NSOLN --CPUA TO: NSJMP --CPUA 11/20/86 17:00:00
To: NSJMP --CPUA

*** Reply to note of 10/02/86 20:00
NOTE FROM: OLIVER NORTH
Subject: Iran
There is that old line about you can't fire me, I quit - but I do want to make it official, so that you know I sincerely meant what I said to you over the course of these last several difficult weeks: I am prepared to depart at the time you and the President decide it to be in the best interest of the Presidency and the country. I am honored to have served the President, you, and your predecessors these past 5 1/2 years. I only regret that I could not have done so better. My prayer is that the President is not further damaged by what has transpired and that the the hostages will not be harmed as a consequence of what we now do. Finally, I remain convinced that what we tried to accomplish was worth the risk. We nearly succeeded. Hopefully, when the political firestorm is finished there will be others, in a moment of calm reflection, who will agree. Warmest regards
Semper Fidelis.

EXHIBIT
OLN-333

6 May 1987

Exhibit OLN-333A

UNCLASSIFIED

85-1002 [illegible]

Washington, D.C. 20505

18 March 1985

5071

884

The Honorable Dave Durenberger, Chairman
Select Committee on Intelligence
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

This is in response to questions raised by the Committee regarding the Agency's plans to provide certain defensive intelligence to opposition groups in Nicaragua in light of the statutory restrictions contained in Section 8066 of the FY85 DoD Appropriation Act (incorporated in the FY85 Continuing Resolution).

We do not intend to provide intelligence to Nicaraguan opposition groups on any systematic or continuing basis. Our goal is humanitarian in nature and any intelligence we would pass would be strictly limited, on a case-by-case basis, to information which in general affects the lives of U.S. persons or third-country noncombatants or which suggests that a holocaust-type situation involving substantial loss of life may occur.

The enclosed guidelines have been developed by the Agency's General Counsel for assessing the provision of defensive intelligence to resistance forces in Nicaragua. The guidelines require that, where time permits, the General Counsel's concurrence be obtained. It is our view that these guidelines will assure careful scrutiny by Agency officials at appropriate levels for this necessary but limited activity.

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EXHIBIT
OLN-333A

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The Agency will obviously inform the Committee when defensive intelligence is provided to such groups. This letter is also being provided to Chairman Hamilton of the House Permanent Select Committee on Intelligence.

Sincerely,

William J. Casey

5072

William J. Casey
Director of Central Intelligence

Enclosure

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5073

Guidelines for Providing Defensive Intelligence to Groups Engaged in Military or Paramilitary Activities in Nicaragua

Within the constraints of the FY85 statutory prohibition on the obligation or expenditure of Agency funds for the purpose or which would have the effect of supporting, directly or indirectly, military or paramilitary operations in Nicaragua, the guidelines set forth below should be followed in determining whether defensive intelligence may be provided to Nicaraguan opposition groups who engage in paramilitary activities.

Defensive intelligence may be provided on a case-by-case basis where:

(1) the lives of U.S. persons are at stake either inside or outside Nicaragua,

(2) the lives of third-country non-combatants are at stake either inside or outside Nicaragua, or

(3) a holocaust-type situation may occur involving substantial loss of life, or threatening the continued existence of the opposition groups (for example, ambush or imminent attack).

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In each instance where a determination is made to provide 5074 defensive intelligence to the Nicaraguan opposition, the information will be supplied only in general terms as necessary to accomplish the defensive objectives outlined above. Where time permits, the General Counsel's concurrence will be obtained in each case. Intelligence will not be provided for the purposes of enabling or assisting the Nicaraguan opposition to conduct offensive military or paramilitary operations.

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"KEY DOCS"
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~~S-E-C-R-E-T~~
Central Intelligence Agency
Washington, D.C. 20505

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11 31230
19 DEC 1984

The Honorable Edward P. Boland
Chairman
Permanent Select Committee on Intelligence
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

In keeping with my commitment to apprise you of significant intelligence matters, I am writing to advise you that we are contemplating providing defensive intelligence to the FDN. We believe that it is essential to provide this information to enable the Organization's leadership to safeguard the lives of its troops. This intelligence would be furnished exclusively for the purpose of precluding hostile actions against the FDN. We would ensure that the information provided does not contain the specific details requisite for the planning/launching of offensive operations.

We are fully aware of the current restrictions pertaining to Agency support for the insurgent forces. It is our belief, however, that provision of this information is consistent with our long-established practice of providing intelligence as appropriate to prevent loss of life.

Sincerely,

/s/ William J. Casey

William J. Casey
Director of Central Intelligence

(931)

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4-82 CL BY 487646

Declassified/Released on 5-20-87
under provisions of E.O. 12356
by B. Reger, National Security Council

[redacted] [illegible]

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U.S. HOUSE OF REPRESENTATIVES
PERMANENT SELECT COMMITTEE
ON INTELLIGENCE
WASHINGTON, DC 20515

Executive Registry
85- 143

LEGISLATIVE LIAISON
85-0150

January 14, 1985

N 31228

I-TS/87-183 U

Honorable William J. Casey
Director of Central Intelligence
Washington, D.C. 20505

Dear Mr. Casey:

Thank you for your letter of December 19, 1984 concerning CIA plans to provide "defensive intelligence" to the Contra focus within Nicaragua. We appreciate your decision to discuss this issue with the Committee before taking any action.

The thrust of the public debate initiated by the Permanent Select Committee on Intelligence and culminating in the enactment by Congress of Section 8066 of the FY 85 DOD Appropriation Act (incorporated in the FY 85 Continuing Resolution), was clearly directed at the complete severance of all intelligence community connections with the Contras and the end of all support for anti-Sandinista military activity. Therefore, your stated intention to provide "defensive intelligence" to the FDN is troubling. So, too, is the inability of the CIA officials who briefed the Committee's staff to articulate the guidelines under which the provision of such information will be approved.

It is our opinion that, at a minimum, section 8066 prohibits the provision of intelligence information to the FDN on any systematic or continuing basis, particularly if such information will enable a FDN force to avoid tactical contact with the enemy and thus be in a better position to continue military operations of its own.

On the other hand, the unplanned for, isolated provision of incidentally acquired information to a person threatened by imminent assassination would seem reasonable.

In any event, on the basis of the imprecise information given to us, we are unable to approve or disapprove any contemplated CIA activity. Some examples of intelligence you would provide to the FDN could, in our view, violate the law, yet not every example seemed illegal. While we applaud the humanitarian impulse that is part of your proposal, we do not want to suggest by this letter that we approve your concept of "defensive intelligence." In evaluating each instance of passing intelligence to the FDN, the key question should be whether it would have the effect of supporting, directly or indirectly, the FDN.

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We suggest that you take whatever steps are appropriate to avoid further entanglement with anti-Sandinista military activity. Recent events clearly suggest that activities such as those you propose can develop a momentum of their own that takes them far beyond the initially contemplated level of support.

Finally, we request that you notify the Committee of your final decision in this matter. If your decision is to proceed, we ask that you provide the Committee with the guidelines under which your General Counsel will approve or disapprove the furnishing of intelligence to the FDN. The Committee should thereafter be informed of each instance in which intelligence was provided to the FDN.

Sincerely,

Edward P. Boland

EDWARD P. BOLAND
Chairman

Lee H. Hamilton
Member of Congress

[illegible]

SECRET

Exhibit OLN-333B

To: NSOLN --CPLA

UNCLASSIFIED

*** Reply to note of 07/29/86 20:36

-- ~~SECRET~~ --

N 2945

NOTE FROM: ROBERT MCFARLANE
Subject: Father Jenco's Release

Roger; take your time. Two things have come into my life which are of interest to you. The first is word from one of the few politicians I respect that Mike Barnes doesn't have a chance in the Maryland Senate race. The second is that George shultz finally realizes what an enormous job you have done (if he didn't before, he does now after four hours this evneing at his place with just the four of us preaching the gospel to him (to include Eliott's key role

Get some rest.

5/6/87

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12/2/86
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EXHIBIT
OLN-333B

EXHIBIT OLN-333C

TEHRAN AGREEMENT (May 27, 1986)

On this twenty seventh day of May 1986 and the sixth day of Khordad in the year 1365, the Government of the United States of America and the Government of the Islamic Republic of Iran, in a spirit of mutual understanding, and recognizing the importance of building respect, trust and confidence hereby agree to the following sequence of steps designed to lead to a new era of bi-lateral relations:

1. The United States Government will cause a 707 aircraft to launch from a neutral site at 0100 in the morning to arrive in Tehran, Iran at 1000 on the morning of May 28, the seventh day of Khordad. This aircraft will contain the remainder of the HAWK missile parts purchased and paid for by the Government of Iran, a portion of which was delivered on May 24.
2. The Iranian Government, having recognized the plight of the hostages in the Lebanon, and in the spirit of humanitarian assistance, agrees to cause the release and safe return of the living American hostages and the return of the body of the deceased American and that this release will be completed not later than 0400 Tehran time.
3. It is further agreed by both sides that if by 0400 Tehran time, the hostages are not safely in the hands of U. S. authorities, the aircraft with the HAWK missile parts will be turned around and will not land in Iran and the U. S. delegation will depart Tehran immediately. If, howerver [sic], the hostages are released at 0400, as indicated above, the U. S. delegation will remain in Tehran until 1200 Noon on May 28, 1986.
4. The Government of the United States commits to deliver to Bandar Abbas, Iran, two phase one IHIPIR radar sets, fully compatible with the HAWK missile system now in the possession of the Iranian government. This delivery to take place after the arrival of the hostages in U.S. custody and within ten days after the receipt of payment through existing financial channels for these radar systems. It is further agreed that the government of the United States will make every effort to locate and identify those items from the original list of 240 parts which were not immediately available, and to provide those available as soon as possible after payment is received and the hostages are in U. S. custody.

EXHIBIT
OLN-333C

5. Both Governments agree to a continuation of a political dialogue to be conducted in secrecy until such time as both sides agree to make such a dialogue public. It is agreed by both sides that this dialogue shall include discussions on the Soviet threat to Iran, the situation in Afghanistan, Nicaragua, and other political topics as may be mutually agreed. Both sides agree in advance that these discussions will include consideration of further defense needs of Iran.

6. Both Governments recognize that the lack of a clear channel of communications has contributed to misunderstanding and confusion in the past and agree that this problem is best resolved by having the United States provide a secure channel of communications between our two governments by placing a secure satellite communications team, and appropriate equipment secretly in Tehran. The Government of Iran agrees that the U. S. communicators will be accorded normal diplomatic privileges and immunity on an informal basis and without attribution.

TOWER

better not be any more terrorist activity directed at the Royal family in Kuwait.

The draft agreement was the subject of intense negotiations with the Iranians making some counter proposals which were designed to gain them more time. Talks broke off around midnight with the Iranian delegation saying it wanted to caucus. For the next two hours, heated discussions were held within the Iranian delegation. [The Iranian officials] both said that the other would be responsible if nothing comes of the negotiations. Finally, shortly before two on Wednesday morning, [the Assistant to the PM] asked to see McFarland [sic]. He wanted assurances that we would deliver the remaining spare parts two hours after the hostages were released, and would stay after the arrival of the spare parts to discuss additional Iranian needs. He also asked for more time to get control of the hostages. McFarland gave [the Assistant to the PM] until 0630 wednesday [sic] morning to arrange for the release of the hostages. The American delegation retired to grab a couple of hours sleep knowing that we had at least out-frazzled them.

Cave's account terminated with the last conversations before the delegation returned to Israel. Washington reported before they left that it had seen no evidence that "the hostages were about to be released or that anything unusual was taking place." (*Id.*)

The agreement drafted during the evening of May 27 provided:

> On this twenty seventh day of May 1986 and the sixth day of Khordad in the year 1365, the Government of the United States of America and the Government of the Islamic Republic of Iran, in a spirit of mutual understanding, and recognizing the importance of building respect, trust and confidence hereby agree to the following sequence of steps designed to lead to a new era of bi-lateral relations:
>
> (1) The United States Government will cause a 707 aircraft to launch from a neutral site at 0100 in the morning to arrive in Tehran, Iran at 1000 on the morning of May 28, the seventh day of Khordad. This aircraft will contain the remainder of the HAWK missile parts purchased and paid for by the Government of Iran, a portion of which was delivered on May 24.
>
> (2) The Iranian Government, having recognized the plight of the hostages in the Lebanon, and in the spirit of humanitarian assistance, agrees to cause the release and safe return of the living American hostages and the return of the body of the deceased American and that this release will be completed not later than 0400 Tehran time.
>
> (3) It is further agreed by both sides that if by 0400 Tehran time, the hostages are not safely in the hands of U.S. authorities, the aircraft with the HAWK missile parts will be turned around and will not land in Iran and the U.S. delegation will depart Tehran immediately. If, howerver [sic], the hostages are released at 0400, as indicated above, the U.S. delegation will remain in Tehran until 1200 Noon on May 28, 1986.
>
> (4) The Government of the United States commits to deliver to Bandar Abbas, Iran, two phase one IHIPIR radar sets, fully compatible with the HAWK missile system now in the possession of the Iranian government. This delivery to take place after the arrival of the hostages in U.S. custody and within ten days after the receipt of payment through existing financial channels for these radar systems. It is further agreed that the government of the United States will make every effort to locate and identify those items from the original list of 240 parts which were not immediately available, and to provide those available as soon as possible after payment is received and the hostages are in U.S. custody.
>
> (5) Both Governments agree to a continuation of a political dialogue to be conducted in secrecy until such time as both sides agree to make such a dia-

logue public. It is agreed by both sides that this dialogue shall include discussions on the Soviet threat to Iran, the situation in Afghanistan, Nicaragua, and other political topics as may be mutually agreed. Both sides agree in advance that these discussions will include consideration of further defense needs of Iran.

(6) Both Governments recognize that the lack of a clear channel of communications has contributed to misunderstanding and confusion in the past and agree that this problem is best resolved by having the United States provide a secure channel of communications between our two governments by placing a secure satellite communications team, and appropriate equipment secretly in

Tehran. The Government of Iran agrees that the U.S. communicators will be accorded normal diplomatic privileges and immunity on an informal basis and without attribution.

Cave's report ended with comments and a recommendation, including:

2. It is quite possible that the Iranian side was negotiating under the impression that we were only interested in a deal for the hostages. This would explain why they tried so hard to get us to do more in exchange for the hostages, i.e., the 20 hawk [sic] batteries and 18 additional hipar radars. It was therefore a good idea to leave a translation of the draft agreement with them as it will give them something to chew on. McFarlane issued a stern warning that we are getting fed up with overatures [sic] from them that don't pan out. We are interested in a long term political and strategic relationship, and if Iran does not pick up on this opportunity it may be years before there is another one.

3. Ramadan was certainly a factor in how the negotiations went. also [sic] the problem caused by not being able to see anyone in a position of power. The people we were negotiating with were a couple of rungs down the ladder. The fact that [the Iranian official's] breath could curl rhino hide was no help either. On the positive side was the change in the attitude of the Iranian delegation. By tuesday [sic] they were begging us to stay.

4. We also may have the problem of the dishonest interlocutor. The Iranian side made it clear that one of the problems in our negotiations was the fact that prior to our meeting, Gorba gave each side a different picture of the structure of the deal. O'neil made the point to [the Assistant to the Prime Minister] that the letters they received [sic] were from Gorba, not the U.S. government. We will have to lean heavily on Gorba in the future.

5. Since both Gorba and [the Iranian official] stand to make a lot of money out of this deal, they presumably will work hard to bring it off. Gorba has very special reasons for seeing that the deal goes through. The serious problem we must address is whether the Iranians can gain control of the hostages. The French don't think they can. This could be our real problem. The Iranian side may be most willing, but unable to gain control.

RECOMMENDATION

Through hindsight it would have been better for Goode and O'neil to have gone in first to handle the initial negotiations. We should not have subjected a senior U.S. official to the indignities he was forced to endure. We have made the point to the Iranians that the draft agreement must be finally negotiated by senior responsible officials from both sides. If we have a subsequent response from the Iranian side it is strongly recommended that Goode and O'neil meet with the Iranian side somewhere in Europe to continue the negotiations.

(May 1986 Hot Docs.) .

E. Post Mortem

Most American accounts of the meetings conform more or less faithfully to the contemporaneous written record. Ghorbanifar's account is different.

NORTH NOTES (UNDATED)

1. Iran provides funds for 500 TOWs and remainder of HAWK parts
2. Within 9 days, we deliver parts + TOWs (500) plus medical supplies.
3. All American Hostages released
4. Iran provides funds for 1500 TOWs
5. Within 9 days, we will deliver
    - 1500 TOWs
    - Technical support for HAWKs
    - Updated Intelligence on Iraq
    - Communications team
6. Iran will then
    - Release Pattis
    - Return Body of Buckley
    - Provide copy of Buckley debrief
7. U.S. will then
    - Identify sources for other items on list
      [illegible]
    - Iran will then work to release other hostages

— we understand S. Hussein ~~must~~ go —

- believe we can help (after obstacles go) with diplomacy in Arab world, esp, Saudis. -SAUDIS DO NOT LIKE HIM EITHER
- Continued military pressure OK

U.S. PROPOSAL

1) IRAN PROVIDES FUNDS FOR 500 TOWS AND REMAINDER OF HAWK PARTS

2) WITHIN 9 DAYS WE DELIVER PARTS + TOWS (500) PLUS MEDICAL SUPPLIES

3) ALL AMERICAN HOSTAGES RELEASED

4) IRAN PROVIDES FUNDS FOR 1500 TOWS

5) WITHIN 9 DAYS WE WILL DELIVER
- 1500 TOWS
- TECHNICAL SUPPORT FOR HAWKS
- UPDATED INTELLIGENCE ON IRAQ
- COMMUNICATIONS TEAM

6) IRAN WILL THEN
- RELEASE PATTIS
- RETURN BODY OF BUCKLEY
- PROVIDE COPY OF BUCKLEY DEBRIEF

7) U.S. WILL THEN
- IDENTIFY SOURCES FOR OTHER ITEMS ON LIST

- IRAN WILL THEN WORK TO RELEASE OTHER HOSTAGES.

"HAKIM ACCORDS" (Lib. Cong. Translation)
Mehr 16, 1365 (October 8, 1986)
Time of Discussion early afternoon to late at night.
Formation of us and Hakim

1. Iran pays for 500 TOWs to HAKIM and if willing, Iran will provide the funds for the HAWK spare parts which remain from the earlier agreement

2. In 9 working days, the 500 TOWs and the HAWK spare parts (pending Iran's approval), and free (gifted) medicines will be delivered to Iran.

3. Before item 4 as stated below is carried out, Albert will present the plan for the release of the 17 Kuwaitis imprisoned in Kuwait.

4. One and one-half (1 definitely and 2 with empathic (sic) effort) American hostages in Lebanon, through the effort of Iran, will be freed from the hands of the Lebanese. (3-4 days after the delivery of point 2 item).

*5. Establishing letter of credit method, will be studied by Albert and ____ by tomorrow night.

(500 TOWS and maximum of 100 launchers), within 4 days after the execution of item mentioned above, will be delivered to IRAN. IRAN will pay the money for 1500 TOWS (the 500 TOWS mentioned above and also additional 1000 TOWS and these 1000 TOWS will be delivered to IRAN within nine days.

6. America will support Iran with technical assistance, material and specialized know-how, reorganize the military intelligence, maps and communication links. Also prepare the chart related to the items provided by _______ indicating price and delivery to IRAN.

7. Before returning to Tehran, the case of the Muslim prisoners (Shi'ite) in Lebanon and the manner of their release should be studied with Secord and private parties involved.**

8. IRAN will pursue its efforts for establishing the grounds for the release of rest of the hostages.

9. The steps for delivery of items referred to in the second part of item 6 mentioned above will start.

* The Letter of Credit will be opened in favor of Mr. _______ and will make the money for the 500 TOWS available by utilizing 80 percent of the Letter of Credit.

** After discussion between Mr. Secord and Mr. ______, it was agreed regarding to Muslim prisoners that letter be written "Israel and its Lahd (sic) organization" Text will be written in the following manner ....

[Translation and Test End]

THE LIBRARY OF CONGRESS
WASHINGTON, DC 20540

TRANSLATION OF LETTERS

Congressional Member or Committee: Senate Select Comm on Secret Military Assistance to Iran and the Nicaraguan Opposition

Language: Persian

Material Submitted: article

Date of Material: June 5, 1987

Name and Address of Sender:

Suggested Salutation:

Translated by: Ibrahim V. Pourhadi (Name) African and Middle Eastern Area Studies (Division) Research Services (Department) G.A.

Date: June 8, 1987

☒ Complete ☐ Abstract—Please call the Congressional Research Service (287-5700), if a complete translation is desired.

Mehr 16, 1365 (October 8, 1986)
Time of Discussion early afternoon to late at night.
Formation of us and Hakim

1. Iran pays for 500 TOWS to HAKIM and if willing, Iran will provide the funds for the HAWK spare parts which remain from the earlier agreement.

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Translator's Comments:

LW 2/78 (rev 8/85)

*5. Establishing letter of Credit method, will be studied by Albert and [redacted] by tomorrow night.

(500 TOWS and maximum of 100 launchers), within 4 days after the execution of item mentioned above, will be delivered to IRAN. IRAN will pay the money for 1500 TOWS (the 500 TOWS mentioned above and also additional 1000 TOWS and these 1000 TOWS will be delivered to IRAN within nine days.

6. America will support IRAN with technical assistance, material and specialized know-how, reorganize the military intelligence, maps and communication links. Also prepare the Cart related to the items provided by [redacted] indicating price and delivery to IRAN.

7. Before returning to Tehran, the case of the Muslim prisoners (Shi'ite) in Lebanon and the manner of their release should be studied with Secord and parties involved.**

8. IRAN will pursue its efforts for establishing the grounds for the release of the rest of the hostages.

9. The steps for delivery of items referred to in the second part of item 6 mentioned above will start.

*The letter of Credit will be opened in favor of Mr. [redacted] and will make the money for the 500 TOWS available by utilizing 80 percent of the Letter of Credit.

**After discussion between Mr. Secord and Mr. [redacted] it was agreed regarding to Muslim prisoners that letter be written "Israel and its Lahd organization" Text will be written in the following manner . . .

NORTH SEVEN POINTS (PROF NOTE October 10, 1986)

1. They pay $3.6M next week.
2. We deliver 500 TOWs (no Hawk parts) 9 daysafter (sic) payment.
3. [redacted]
4. Two hostages (if possible, but no less than one) released w/in 4 days of the TOW delivery. If only one hostage released, whole process stops and we meet again.
5. Repeat funding and Delivery cycle as in steps 1 & 2 above.
6. We send Tech support for HAWKs, update on intel and secure comm team to Tehran and provide location/ availability of artillery items noted on the original list provided by [the Relative] in Washington mtg.
7. Iran does utmost to secure release of remaining hostage(s).

SEE OLN 312

N 2832

October 14, 1986

S/CT PRESS GUIDANCE

LEBANON HOSTAGES: "NEWSWEEK" STORY

Q: Any comment on the "Newsweek" story entitled "America's Forgotten Hostages?"

A: -- WE RECOGNIZE THAT THE FAMILIES OF THE AMERICAN HOSTAGES HAVE BEEN PUT THROUGH AN AGONIZING AND EMOTIONAL ORDEAL, AND WE DEEPLY SYMPATHIZE WITH THEM.

-- THE IMPLICATION IN THE "NEWSWEEK" STORY THAT THE UNITED STATES HAS FORGOTTEN THESE HOSTAGES IS WRONG. THE ADMINISTRATION IS DOING ALL THAT IT CAN TO SECURE THE SAFE RELEASE OF THESE AMERICANS, AND WE CONTINUE TO WORK HARD AND FOLLOW EVERY LEAD ON THIS PRIORITY ISSUE.

Q: Have the hostages been beaten?

A: -- WE HAVE HEARD REPORTS OF BRUTALITY BY THE KIDNAPPERS. WE REPEAT THAT WE HOLD THE KIDNAPPERS FULLY RESPONSIBLE FOR THE SAFETY OF ALL THE AMERICANS WHO ARE HELD.

Q: Do we know where the hostages are?

A: -- WE DO NOT KNOW WHERE THE HOSTAGES ARE AT THIS TIME.

N117c
12/7

Q: Can you confirm that the kidnappers belong to the Mugniyah family, part of the Musawi clan, and that some of the prisoners they want released from Kuwait are their cousins?

A: -- WE ARE AWARE OF A POSSIBLE FAMILY CONNECTION BETWEEN THE KIDNAPPERS AND SOME OF THE PRISONERS THEY WANT RELEASED FROM KUWAIT. (No further comment on this.)

Q: Would the kidnappers settle for the release of three Lebanese Shiites held by Kuwait instead of all 17 Dawa prisoners?

A: -- THE KIDNAPPERS DO NOT RESPOND TO OUR LONGSTANDING OFFER OF DIRECT DISCUSSIONS. BECAUSE OF THEIR REFUSAL, WE REMAIN UNAWARE OF ANY CHANGE IN THEIR DEMANDS.

-- THE QUESTION IS NOT WHETHER WE WOULD SEEK THE RELEASE OF 3 OR 17 PRISONERS. WE WILL NOT NEGOTIATE THE EXCHANGE OF INNOCENT AMERICANS FOR THE RELEASE FROM PRISON OF TRIED AND CONVICTED MURDERERS HELD IN A THIRD COUNTRY, NOR WILL WE PRESSURE OTHER NATIONS TO DO SO. TO MAKE SUCH CONCESSIONS WOULD JEOPARDIZE THE SAFETY OF OTHER AMERICAN CITIZENS AND WOULD ONLY ENCOURAGE MORE TERRORISM.

Q: Did the U.S. ever demand that the families keep quiet or the hostages would be killed?

A: - WE HAVE NEVER DEMANDED THAT THE FAMILIES REMAIN SILENT. WHAT WE HAVE TRIED TO STRESS IN MEETINGS WITH THE FAMILIES IS THAT PUBLIC DISCUSSION OF OUR EFFORTS TO GAIN THE HOSTAGES' RELEASE COULD LEND ENCOURAGEMENT TO THE KIDNAPPERS IN LEBANON THAT THE U.S. MIGHT SUCCUMB TO THE PRESSURE AND TO CRIMINALS ELSEWHERE AROUND THE WORLD THAT AMERICANS ARE FAIR GAME.

Q: Did the U.S. tell Peggy Say during the TWA 847 hijacking "not to even ask for Terry and the others (hostages), and don't say anything to connect your hostages to the TWA ones?"

A: - [redacted] THE FACT IS THAT EACH GROUP OF HOSTAGES WAS BEING HELD INDEPENDENT OF THE OTHER GROUP, AND THE U.S. WAS WORKING TO RESOLVE BOTH SITUATIONS [redacted] WE HAD HOPED THAT THE TWA INCIDENT COULD BE USED AS A CATALYST TO FREE ALL THE REMAINING HOSTAGES, AND WE WORKED AT THE HIGHEST LEVELS TO BRING THAT ABOUT. UNFORTUNATELY, WE WERE UNSUCCESSFUL.

Q: Did the U.S. ever withhold from the hostage families letters written by the hostages?

A: -- WE HAVE NEVER WITHHELD SUCH LETTERS FROM THE HOSTAGE FAMILIES.

Q: Did Libya purchase and subsequently murder three hostages following the U.S. military strike in April?

A: -- THAT REPORT IS NOT NEW. FOLLOWING THE MURDER OF TWO BRITISH HOSTAGES IN APRIL, BRITISH FOREIGN SECRETARY HOWE PUBLICLY IMPLICATED LIBYA.

Drafted:S/CT:JReap
Doc. 0018J
Cleared:S/CT:LPBremer
S/CT:PWBorg
CA/OCS:JAdams
NEA/ARN:JMcVerry
NEA/P:ABerger

APPENDIX B: OTHER DOCUMENTS AND MATERIALS INTRODUCED AT THE HEARINGS

UNCLASSIFIED

Bins 4-5

Department of State

INCOMING TELEGRAM

PAGE 01 300351Z 0753 AN045789

ACTION INR-10

INFO FILE-01 ARA-04 PPC-01 DAS-01 PPA-01 SSE-01 OCEA-01
REG-01 CI-01 /012 A3 XD

INFO LOG-00 ARA-00 PM-10 PA-01 SP-02 DS-06 SIPO-01
DSE-00 SCT-04 /037 W
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P 300331Z JAN 86
FM FBIS CHIVA CHIVA PR
TO AIG 4678
USCINCLANT
FT GEO G MEADE MD//[illegible]//
FBIS KEY WEST FL
FBIS ASUNCION PA
CDR 20TH MI BN FT DAVIS PM//AFZU-MI-C//
NAVOPINTCEN SUITLAND MD
NAVSPASUR DAHLGREN VA
FTD/SDO WRIGHT PATTERSON AFB OH
NASA JOHNSON SPACE CEN HOUSTON TX
NASA LANGLEY FLD HAMPTON VA
RUADJNA/SAF YOKOTA AB JA//INW//
FOSIF WESTPAC KAMI SEYA JA
NASA JET PROPULSION LAB PASADENA CA
NASA JET PROPULSION LAB PASADENA CA
NASA GSFC GREENBELT MD
HQ NORAD INTEL CEN CHEYENNE MTN CMPLX CO//J2N//
HQ NORAD CHEYENNE MTN COMPLEX CO//J-31S//
CINCPAC HONOLULU HI
FBIS LONDON UK//BBC//
FBIS OKINAWA JA
FBIS BANGKOK TH
PDG CORIZAL PM
ACCT FBPA-EVDK

UNCLAS SP

ATTN BBC REARAAN/FRANCIS/OFFORD

SUBJ/

EL SALVADOR: FMLN FEELS 'HAPPINESS' OVER CHALLENGER EXPLOSION

PA290031

(CLANDESTINE) RADIO VENCEREMOS IN SPANISH TO EL SALVADOR
0000 GMT 29 JAN 86

(TEXT) THE U.S. SPACE SHUTTLE CHALLENGER EXPLODED ON TUESDAY MORNING 1 MINUTE AND 17 SECONDS AFTER IT HAD TAKEN OFF FROM CAPE CANAVERAL, FLORIDA, AND THE SEVEN ASTRONAUTS ON BOARD THE SPACE SHUTTLE WERE KILLED.

THE U.S. FAILURE IN THE SPACE SHUTTLE PROJECT, MARKED BY THE CHALLENGER'S ACCIDENT, REPRESENTS AN OVERWHELMING BLOW TO THE SO-CALLED STAR WARS. THE UNITED STATES WANTED TO USE OUTER SPACE FOR MILITARY PURPOSES THROUGH THIS PROGRAM. REAGAN HAS ANNOUNCED THAT ALL THE FLIGHTS TO OUTER SPACE HAVE BEEN SUSPENDED. IN ADDITION, TWO MEMBERS OF THE CHALLENGER'S CREW WORKED AS PILOTS IN THE VIETNAM WAR; IN OTHER WORDS, THEY WERE TWO KILLERS WHO SOWED NAPALM IN THE MARTYRIZED VIETNAMESE LAND. GIVEN THAT THE CHALLENGER'S OSTENTATIOUS FAILURE REPRESENTS AN OVERWHELMING BLOW TO THE U.S. GOVERNMENT'S PLANS TO EXTEND THE WAR TO OUTER SPACE, AND GIVEN THAT TWO WAR CRIMINALS HAVE DIED ABOARD THE CHALLENGER, WE SHARE THE HAPPINESS FELT BY THOSE REJECT AND CONDEMN THE U.S. IMPERIALISTS'S WARMONGERING POLICY.

(ENDALL) 290000 MST/WALKER/EJL 30/0341Z JAN.

101.

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Department of State

INCOMING TELEGRAM

PAGE 01 151734Z 0361 ARA3730
ACTION INR-10

INFO FILE-01 ARA-05 PPC-01 RPP-01 DAS-01 PPA-01 SSE-01 LPD-01
OCEN-01 REG-01 ES-01 DNCO-01 NCO-01 LARA-01 /018 A1 00

INFO LOG-00 ARA-00 PM-10 PA-02 INRE-00 SP-02 /024 W
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JOINT TASK FORCE BRAVO PALMEROLA AB HO
SECSTATE WASHINGTON DC//ARA/CEN/ES//
US SECRET SERVICE WASHINGTON DC//ID-FIB//
AMEMBASSY SAN SALVADOR
CTF SEVEN SIX
PDG COROZAL PM
ACCT FBPA-EWDK

P INS 4-5

UNCLAS 6A

COPY TO HOD

SUBJ

CUBA: 'SALVADORAN YOUTHS' DISCUSS RADIO VENCEREMOS

PA151637

HAVANA INTERNATIONAL SERVICE IN SPANISH 0000 GMT 12 JUN 87

((INTERVIEW WITH SALVADORANS RAMIRO MENDOZA AND ANTONIO GUTIERREZ BY RAMON CHONG AT THE JOSE MARTI INTERNATIONAL JOURLAISM INSTITUTE IN HAVANA; DATE NOT GIVEN; INDIVIDUAL INTERVIEWEES NOT IDENTIFIED -- RECORDED))

((TEXT)) ((CHONG)) THIS IS YOUR REPORTER AND FRIEND, RAMON CHONG, SPEAKING FROM THE JOSE MARTI INTERNATIONAL JOURNALISM INSTITUTE IN HAVANA WITH TWO SALVADORAN YOUTHS, RAMIRO MENDOZA AND ANTONIO GUTIERREZ. THEY HAVE JUST FINISHED THE EIGHTH COURSE GIVEN BY THIS INTERNATIONAL JOURNALISM INSTITUTE. TAKING ADVANTAGE OF THEIR PRESENCE HERE, WE WILL DISCUSS SOME ASPECTS THAT SHOW THE PROGRESS OF GUERRILLA RADIO BROADCASTING IN EL SALVADOR. THEREFORE, WE WILL TALK ABOUT RADIO VENCEREMOS, WHICH WAS BORN WITH THE WAR AND WHICH HAS GROWN WITH THE WAR IMPOSED BY THE U.S. GOVERNMENT ON THE SALVADORAN PEOPLE.

((SALVADORAN)) WE CAN SAY THAT RADIO VENCEREMOS WAS ESTABLISHED AS THE FMLN'S OFFICIAL VOICE. IT IS ONE OF THE FIRST EXPRESSIONS OF PEOPLE'S POWER IN EL SALVADOR. ITS CONSTANT TRANSMISSIONS (?REPORT) TO THE PEOPLE AND GIVE THEM SPECIFIC GUIDELINES FROM THE FMLN GENERAL COMMAND. RADIO VENCEREMOS HAS ALWAYS ACCOMPANIED THE PEOPLE AT EACH JUNCTURE OF THE REVOLUTIONARY PROCESS OF EL SALVADOR.

((CHONG)) THAT IS RIGHT. RADIO VENCEREMOS IS THE STATION THAT PARTICIPATES IN THE GENERAL OFFENSIVE TO REPORT THE VICTORIOUS ACTIONS THAT ARE CARRIED OUT, TO GUIDE THE MASSES, AND ALSO TO COUNTERACT THE REGIME'S PROPAGANDA MANEUVERS.

((SALVADORAN)) ONE OF THE MAIN ASPECTS OF THE U.S. STRATEGY IN EL SALVADOR IS THE PSYCHOLOGICAL WARFARE THROUGH WHICH IT SEEKS TO DISTORT OUR STRUGGLE, TO DISINFORM, AND TO MAKE ERRONEOUS ANALYSES OF THE WAR TO ((WORDS INDISTINCT)) FROM THE MASSES. RADIO VENCEREMOS HAS THE ESSENTIAL TASK OF PROVIDING TRUTHFUL REPORTS ABOUT THE COURSE OF THE WAR, INCREASING THE MORALE OF THE MASSES, AND WINNING THEM OVER TO THE REVOLUTIONARY CAUSE.

((CHONG)) RAMIRO, HOW FAR CAN THE RADIO VENCEREMOS TRANSMISSIONS BE HEARD?

((MENDOZA)) AT THE SHORTWAVE LEVEL, WE HAVE RECEIVED RECEPTION REPORTS FROM BRAZIL, COLOMBIA, MEXICO, AND EVEN FROM THE U.S. SOUTH, WHERE RADIO VENCEREMOS CAN BE HEARD (?WITHOUT SPECIAL) EQUIPMENT.

151734Z 0361 ARA3730

((CHONG)) ANTONIO, WHAT ABOUT THE AUDIENCE OF RADIO VENCEREMOS?

((GUTIERREZ)) THROUGHOUT THE PAST 6 YEARS, RADIO VENCEREMOS HAS BEEN GAINING GROUND IN THE NATIONAL TERRITORY. IT IS NOT JUST HEARD BY THE REVOLUTIONARY FORCES OR THE DEMOCRATIC FORCES COMMITTED TO THE REVOLUTIONARY AND LIBERATION CAUSE. IT IS HEARD BY LARGE SECTORS OF SALVADORAN SOCIETY, EVEN BY ENEMY SECTORS, BY ARMY AND GOVERNMENT SECTORS THAT LISTEN TO IT TO RECEIVE A TRUTHFUL VERSION OF THE WAR BECAUSE THE REGIME'S LIES ARE NOT EVEN BELIEVED BY THEM.

((CHONG)) WHO ARE THE LISTENERS OUTSIDE EL SALVADOR?

((SALVADORAN)) ONE OF THE MOST IMPORTANT SECTORS THAT IT COVERS IS THE REFUGEES. THE WAR ((WORDS INDISTINCT)) HAS FORCED HUNDREDS OF THOUSANDS OF SALVADORANS, PRACTICALLY A 10TH OF THE POPULATION, TO LEAVE THE COUNTRY. THERE ARE APPROXIMATELY 400,000 SALVADORANS IN THE UNITED STATES, MORE THAN 120,000 IN MEXICO, 40,000 IN NICARAGUA, (?15,000) IN HONDURAS, AND ABOUT 10,000 IN COSTA RICA.

((CHONG)) WE MUST STRESS THAT RADIO VENCEREMOS WAGES THE IDEOLOGICAL STRUGGLE BY USING THE ESSENTIAL WEAPON OF RAISING THE PEOPLE'S AWARENESS. FIFTY MEDIUM-WAVE STATIONS, SEVEN FM STATIONS, FIVE TELEVISION CHANNELS, AND OTHER PRESS MEDIA TRY TO SILENCE THE VOICE OF THE GUERRILLA RADIO. HAVE THEY BEEN ABLE TO WEAKEN THE MISSION OF RADIO VENCEREMOS?

((SALVADORAN)) NO, NOT ALL. IT MUST BE POINTED OUT THAT EVEN THE U.S. AND EUROPEAN NEWS AGENCIES CONSTANTLY USE RADIO VENCEREMOS'S REPORTS BECAUSE THEY KNOW THAT IT IS REPORTING THE TRUTH. IT IS IMPORTANT THAT WE POINT OUT ((WORDS INDISTINCT)) BECAUSE THE ESSENTIAL PROBLEM IS THAT BY WAGING A WAR IN WHICH THE INTERESTS OF CLASS PREVAIL, THE MASSES DO NOT IDENTIFY WITH ((WORDS INDISTINCT)).

(ENDALL) 120000 HA/ROSS/CM 15/1706Z JUN

EOT

UNCLASSIFIED

UNCLASSIFIED

Department of State

INCOMING
TELEGRAM

PAGE 01 150334Z 1259 ARA2485
ACTION INR-10

INFO FILE-01 ARA-05 PPC-01 RPP-01 OAS-01 PPA-01 SSE-01 LPD-01
CU-02 DCEN-01 REG-01 ES-01 CS-02 DNCO-01 NCO-01 LARA-01
/022 A3 DM

INFO LOG-00 ARA-00 HA-09 PM-10 PA-02 INRE-00 SP-02
DS-01 DSE-00 SCT-02 /036 W
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R 150229Z MAY 87
FM FBIS CHIVA CHIVA PM
TO AIG 4674
AIG 4677
JOINT TASK FORCE BRAVO PALMEROLA AB HO
SECSTATE WASHINGTON DC//ARA/CEN/ES//
US SECRET SERVICE WASHINGTON DC//ID-FIB//
AMEMBASSY SAN SALVADOR
CTF SEVEN SIX
PDG COROZAL PM
ACCT FBPA-EWDK

PINS 4-5

UNCLAS 6G

SUBJ

HAVANA: SALVADORAN GUERRILLAS REJECT ARIAS PEACE PLAN

PA150229

HAVANA INTERNATIONAL SERVICE IN SPANISH 0000 GMT 14 MAY 87

((TEXT)) THE SALVADORAN GUERRILLAS HAVE REJECTED AN ALTERNATIVE PEACE PLAN FOR CENTRAL AMERICA PROPOSED BY COSTA RICAN PRESIDENT OSCAR ARIAS. THE FMLN AND FDR REJECTED THE PLAN IN A PRESS BULLETIN RECENTLY ISSUED BY THE GUERRILLAS.

THE DOCUMENT STATED THAT THE PLAN IS NOT IN KEEPING WITH THE REALITY PREVAILING IN EL SALVADOR. IT POINTED OUT THAT THIS PROJECT FAILS TO INCLUDE AN END TO U.S. INTERVENTION IN THE CENTRAL AMERICAN CONFLICT AS AN IMPORTANT REQUISITE FOR ACHIEVING PEACE IN THE REGION.

THE INSURGENT FRONTS ALSO ARGUED THAT THE SOLUTION PROPOSED BY THE COSTA RICA PRESIDENT FAILS TO CONSIDER FUNDAMENTAL ASPECTS SUCH AS THE LACK OF DEMOCRACY IN EL SALVADOR AND THE VIOLATION OF HUMAN RIGHTS BY THE REGIME OF THAT NATION.

(ENDALL) 140000 JAL/NOWACK/EB 15/0323Z MAY

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Department of State

INCOMING TELEGRAM

PAGE 01 181622Z 4370 ARA4238
ACTION INR-10

INFO FILE-01 ARA-05 PPC-01 OPP-01 OAS-01 PPA-01 SSE-01 LPD-01
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INFO LOG-00 ARA-02 HA-09 PM-10 PA-02 INRE-00 SP-02
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R 181239Z MAY 87
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ACCT FBPA-EWDK

PINS 4-5

UNCLAS GP

SUBJ

REF PA121224 MADRID EFE SPANISH 120406 -- EL SALVADOR: FMLN-FDR REJECTS ARIAS PLAN AS 'NOT FEASIBLE'

EL SALVADOR: FMLN-FDR ISSUES BULLETIN ON ARIAS PLAN

PA181239

(CLANDESTINE) RADIO VENCEREMOS IN SPANISH TO EL SALVADOR
2300 GMT 15 MAY 87

((BULLETIN FROM THE PRESS OFFICE OF THE FMLN ISSUED IN MEXICO CITY ON 11 MAY))

((TEXT)) THE FDR AND THE FMLN HAVE STATED THEIR POSITION ON THE ARIAS PLAN TO SEVERAL GOVERNMENTS. THE ESSENCE OF THAT POSITION IS:

1. TO REITERATE THAT A RESOLUTION OF THE ARMED CONFLICT IN EL SALVADOR WOULD BE A DECISIVE FACTOR FOR A JUST AND LASTING PEACE IN CENTRAL AMERICA.

2. THE CHARACTERIZATION THAT THE ARIAS PLAN MAKES OF THE SITUATION IN EL SALVADOR DOES NOT REFLECT OUR TRUE SITUATION AND THEREFORE THIS PLAN CANNOT BE A GOOD STARTING POINT IN THE SEARCH FOR A RESOLUTION OF THE CONFLICT. IN EL SALVADOR THERE IS NO DEMOCRACY, THE GOVERNMENT MASSIVELY VIOLATES HUMAN RIGHTS, THERE IS NO DIALOGUE, AND THERE IS NO SOCIAL JUSTICE. MOST OF THE INTERNAL FORCES IN THE COUNTRY AGREE IN POINTING OUT THAT THE DUARTE REGIME HAS SUNK THE COUNTRY INTO THE MOST PROFOUND ECONOMIC, POLITICAL, AND SOCIAL CRISIS OF ITS HISTORY.

3. THE PROPOSAL OF A DIALOGUE WITH UNARMED OPPOSITION GROUPS DOES NOT APPLY IN THE SALVADORAN CASE BECAUSE IT WOULD BRING THE RESOLUTION OF THE CONFLICT DOWN TO A DEMAND THAT THE FMLN PUT DOWN ITS ARMS AND IT WOULD EXCLUDE THE FDR WHICH COULD NEVER TURN ITSELF INTO AN UNARMED GROUP BECAUSE IT HAS NEVER BEEN ARMED. IF THE CATEGORY OF UNARMED GROUP WERE TO EXCLUDE THE FDR, THE PROPOSAL STILL WOULD NOT BE VALID BECAUSE IT CALLS FOR THE EXCLUSION OF THE FMLN.

IN EL SALVADOR, A DIALOGUE WITHOUT PRIOR CONDITIONS BETWEEN THE FMLN-FDR AND THE GOVERNMENT IS LEGITIMATE AND IT HAS BEEN DEMONSTRATED THAT THERE CAN BE NO RESOLUTION OF THE CONFLICT WITHOUT THE FMLN-FDR.

THEREFORE, A PROPOSAL THAT CALLS FOR A DIALOGUE BETWEEN THE PARTIES IN CONFLICT IN EL SALVADOR IS REGRESSIVE.

4. A CESSATION OF THE POLITICAL AND MILITARY INFLUENCE OF THE U.S. GOVERNMENT IN THE INTERNAL AFFAIRS OF EL SALVADOR REPRESENTS AN ESSENTIAL CONDITION TO MAKE VIABLE ANY PEACE INITIATIVE IN OUR COUNTRY. THEREFORE, THIS PROBLEM CANNOT BE IGNORED AS AN APPENDIX OF THE PROCESS, AS THE ARIAS PLAN PROPOSES.

5. WE REITERATE OUR ACKNOWLEDGEMENT OF THE EFFORTS BY THE CONTADORA AND SUPORT GROUPS AND OF OTHER INITIATIVES FOR PEACE IN CENTRAL AMERICA THAT SEEK A RESOLUTION OF THE INTERNAL CONFLICT IN EL SALVADOR AND THAT DISREGARD EFFORTS TO FIND FALSE SIMILARITIES WITH PROBLEMS OF OTHER COUNTRIES IN THE HOPE OF RESOLVING THE SALVADORAN PROBLEM THROUGH AGREEMENTS AMONG THE CENTRAL AMERICAN COUNTRIES ONLY.

6. TO ACKNOWLEDGE THE EFFORT OF PRESIDENT ARIAS OF COSTA RICA TO STRENGTHEN HIS GOVERNMENT S NEUTRALITY POLICY, THUS CONTRIBUTING TO A NEGOTIATED RESOLUTION OF THE CENTRAL AMERICAN CRISIS AND, ESPECIALLY, PROMOTING POLITICAL SOLUTIONS TO THE INTERNAL CONFLICT OF THE COUNTRIES OF THE REGION.

MEXICO, 11 MAY 1987
PRESS OFFICE OF THE FMLN
(ENDALL) 152300 RH/BESTOR/HF 18/1613Z MAY

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Department of State PINS 4-5 INCOMING TELEGRAM

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INFO FILE-01 ARA-05 PPC-01 RPP-01 OAS-01 PPA-01 SSE-01 LPD-01
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UNCLAS 6P

SUBJ

EL SALVADOR: UNGO ON DIALOGUE, U.S. AID, ARIAS PEACE PLAN

PA020110

SAN SALVADOR CHANNEL 6 TELEVISION IN SPANISH 0200 GMT
30 APR 87

((REPORT BY ROXANA LEMUS IN MANAGUA))

((TEXT)) FDR PRESIDENT GUILLERMO UNGO SAID DURING AN INTERVIEW FOR EL NOTICIERO NEWSCAST THAT THE DEMOCRATS VICTORY IN THE U.S. SENATE WILL STRENGTHEN A DIALOGUE IN OUR CONTRY. THE U.S. DEMOCRATS' MAJORITY REPRESENTS A REAL AND POSITIVE FACTOR IN ENCOURAGING PEACE IN THE CENTRAL AMERICAN AREA.

((BEGIN UNGO RECORDING)) GENERALLY SPEAKING, DEMOCRATIC ADMINISTRATIONS HAVE TRUSTED POLITICAL ALLIANCES AND DIALOGUE, SO I THINK THAT THE SALVADORAN MILITARY OFFICERS SHOULD BEGIN TO WORRY ABOUT THE UNITED STATES' MILITARY AID. THIS AID WILL NOT LAST FOREVER. ((END RECORDING))

like Vietnam

UNGO ADDED THAT THERE IS A POSSIBILITY OF ESTABLISHING CONTACT WITH DEMOCRATIC SENATORS, PROVIDED THAT THE REAGAN ADMINISTRATION ALLOWS THIS.

((BEGIN UNGO RECORDING)) WE HOPE SO, PROVIDED THAT THE REAGAN ADMINISTRATION'S ANTI-DEMOCRATIC AND REPRESSIVE POLICY ALLOWS IT. WE HAVE BEEN DENIED VISAS, BUT THE DEATH SQUAD LEADERS IN EL SALVADOR ARE GIVEN VISAS. NEVERTHELESS, WE HAVE HAD THE OPPORTUNITY TO HOLD TALKS WITH U.S. POLITICIANS AND CONGRESSMEN IN MEXICO, PANAMA, NICARAGUA, AND COSTA RICA. WE BELIEVE THAT THESE TALKS WILL INCREASE NOW THAT THE ELECTORAL CAMPAIGN HAS BEGUN IN THE UNITED STATES. THERE IS MUCH MORE INTEREST, PUBLICITY, AND OPENNESS ABOUT THE REAGAN ADMINISTRATION'S INTERNATIONAL POLITICAL INTERESTS. ((END RECORDING))

UNGO ALSO SAID THAT THE PEACE PROPOSAL PRESENTED BY COSTA RICAN PRESIDENT OSCAR ARIAS IS BOTH POSITIVE AND NEGATIVE. THE FIVE PRESIDENTS FROM THE AREA WILL DISCUSS THIS PROPOSAL AT ESQUIPULAS, GUATEMALA. HE SAID THAT THE NEGATIVE THING ABOUT THE PROPOSAL IS THAT IT DOES NOT INCLUDE THE ARMED OPPOSITION.

((BEGIN UNGO RECORDING)) FIRST OF ALL, THE PROPOSAL EXCLUDES THE FMLN. THEY HAVE NO REFERENCE TO THE MATTER AND THINK THAT THEY CAN SIMPLY STATE THAT THE DIALOGUE SHOULD ONLY INCLUDE THE UNARMED OPPOSITION. I THINK THIS IS A CONTRADICTION, AND A SERIOUS AND GRAVE INCONGRUITY. HOW CAN ANYONE DISCUSS AND AGREE ON A CEASE-FIRE IF THE DIALOGUE DOES NOT INCLUDE THOSE WHO HAVE THE WEAPONS? ((END RECORDING))

sound familiar?

THE FDR LEADER IS CURRENTLY IN MANAGUA TO HOLD MEETINGS

WITH SEVERAL PARLIAMENTARY MEMBERS WHO ARE ATTENDING THE IPU CONGRESS AND ARE INTERESTED IN KNOWING ABOUT THE SALVADORAN SITUATION AND THE EXTENDED AND INCREASED WAR THAT AFFECTS CENTRAL AMERICA. GUILLERMO UNGO SAID THAT THE WORKING CLASSES REPRESENT THE BASIS FOR A NATION'S DEVELOPMENT, AND HE ADDED THAT THE POLITICAL-MILITARY STRUGGLE BEING WAGED IN EL SALVADOR IS THE RESULT OF A POLITICAL, ECONOMIC, AND SOCIAL CRISIS.

(ENDALL) 050200 MGV/BESTOR/MF 02/0206Z MAY

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Department of State PINS 4-5 INCOMING TELEGRAM

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USIA MIAMI FL
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NAVSECGRUACT GALETA ISLAND PM
CDRUSAFLDSTA GALETA ISLAND PM
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VOA WASH DC
STORAGE CENTER FBIS WASHINGTON DC
VOA MEXICO CITY MX
AFE/PAS HOMESTEAD AFB FL
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CDR USARSO FT CLAYTON PM//SOBA//
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SUBJ

CUBA: SALVADORAN REBEL NIDIA D'AZ RETURNS FROM MOSCOW

FL022358

HAVANA RADIO PERIODICO DEL AIRE IN SPANISH 2130 GMT 2 JUL 87

(TEXT) GUERRILLA COMMANDER NIDIA DIAZ TODAY DENOUNCED IN HAVANA THE NEGATIVE RESPONSE OF THE SALVADORAN REGIME TO THE PROPOSALS FOR THE HUMANIZATION OF THE WAR, WHICH WERE FORMULATED BY THE REVOLUTIONARY DEMOCRATIC FRONT, FMLN.

ARRIVING IN HAVANA AFTER PARTICIPATING IN THE WORLD CONGRESS FOR WOMEN IN MOSCOW, THE REBEL LEADER SAID DURING A PRESS CONFERENCE THAT THE SENSELESS POSITION OF THE GOVERNMENT OF NAPOLEON DUARTE WILL ONLY INCREASE THE IMPACT OF THE CONFLICT ON THE POPULATION.

(ENDALL) 072130 ILP/LOPEZ DE PUGH 02/2359Z JUL

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INFO LOG-00 ARA-00 PM-10 PA-02 INRE-00 SP-02 DS-01
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R 030124Z JUN 87
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UNCLAS 6F

SUBJ

EL SALVADOR: REBEL RADIO CITES UNTS DOCUMENT OF DEMANDS

PA0300124

(CLANDESTINE) RADIO FARABUNDO MARTI IN SPANISH TO EL SALVADOR
2200 GMT 1 JUN 87

((TEXT)) THE WORKING CLASS HAS TAKEN AN IMPORTANT STEP BY CONSOLIDATING POPULAR ASPIRATIONS INTO A SINGLE PLATFORM. THE WORKING CLASS, WHICH IS MADE UP OF VARIOUS POPULAR SECTORS IN THE COUNTRY, IS EXPERIENCING THE WORST ECONOMIC AND SOCIAL CRISIS IN THE HISTORY OF OUR FATHERLAND.

THE DUARTE GOVERNMENT, WHICH IS NEITHER WILLING NOR CAPABLE OF RESOLVING THE SERIOUS PROBLEMS FACING THE SALVADORAN PEOPLE, ONLY REPRESSES THE PEOPLE AND ISSUES ANTIPOPULAR DECREES AND DEMAGOGICAL STATEMENTS.

DESPITE THIS, IN A MESSAGE TO THE NATION YESTERDAY IN WHICH THEY ANALYZED THE 3 YEARS OF DUARTE'S ADMINISTRATION, THE ORGANIZED WORKERS GATHERED TOGETHER IN THE NATIONAL UNITY OF SALVADORAN WORKERS ((UNTS)) PRESENTED A PLATFORM OF THE WORKERS TO RESOLVE PROBLEMS FACING THE FATHERLAND. THIS PLATFORM FOLLOWS:

((BEGIN RECORDING OF UNIDENTIFIED UNTS OFFICIAL)) THE DEMANDS OF THE WORKERS AND THE PEOPLE:

WE DEMAND THE IMMEDIATE RESIGNATION OF JOSE NAPOLEON DUARTE AND THE ESTABLISHMENT OF A NEW GOVERNMENT THAT HAS THE PARTICIPATION OF ALL SECTORS OF OUR COUNTRY. WE ASK THAT THE FOLLOWING DEMANDS BE MET:

1. REPEAL ECONOMIC PACKAGES (?INTRODUCED) BY DUARTE AND ENSURE THAT NO NEW ECONOMIC MEASURES ARE APPROVED AGAINST THE PEOPLE.

2. DECREE WAGE INCREASES FOR ALL URBAN AND RURAL WORKERS IN KEEPING WITH THE HIGH COST OF LIVING.

3. APPROVE THE DRAFT BILL ON CONSUMER PROTECTION.

4. EXEMPT AGRARIAN COOPERATIVES FROM PAYING AGRARIAN DEBTS AND ANY OTHER UNPAYABLE DEBTS CAUSED BY REPRESSION, WEATHER CONDITIONS, COMMERCIALIZATION, AND SO ON.

5. DISTRIBUTE LAND AMONG ALL PEASANTS AT NO COST TO THEM BY ALLOCATING ((WORDS INDISTINCT)) AT 1965 PRICES.

6. HALF THE FIRING OF WORKERS AND OPEN NEW SOURCES OF EMPLOYMENT BY (?HELPING) SMALL AND MEDIUM-SIZE BUSINESSES THROUGH AN ACCESSIBLE SOFT CREDIT SYSTEM.

7. IMMEDIATELY SUSPEND THE RATIONING OF ELECTRIC POWER AND POTABLE WATER AND CUT THEIR COST TO CONSUMERS BY 50 PERCENT.

8. DO NOT PAY THE FOREIGN DEBT.

9. SUPPLY EQUIPMENT, MEDICINE, PERSONNEL, AND MAINTENANCE FOR POPULAR CLINICS SO THEY CAN OFFER EFFICIENT AND FREE SERVICES TO THE ENTIRE POPULATION. EXTEND MEDICAL AND HOSPITAL SERVICES TO RURAL AREAS; SYSTEMATICALLY APPLY PREVENTIVE MEDICINE.

10. CONSTRUCT SCHOOLS WHERE NEEDED; RECONSTRUCT BUILDINGS IN POOR CONDITION AND GUARANTEE THE REQUIRED MAINTENANCE. ASSIGN RESOURCES TO OBTAIN EDUCATIONAL MATERIALS AND HIRE TEACHERS ((PASSAGE INDISTINCT)) RETURN OF REFUGEES AND DISPLACED PEOPLE TO THEIR PLACES OF ORIGIN BY RESPECTING THEIR CIVIL RIGHTS AND GIVING THEM RESOURCES TO RECONSTRUCT THEIR LIVES (?PATRIMONIO)). ((PASSAGE INDISTINCT))

13. GUARANTEE EMPLOYMENT, HOUSING, AND BASIC SERVICES TO SALVADORANS DEPORTED FROM THE UNITED STATES.

14. GRANT LEGAL STATUS TO ALL ORGANIZATION REQUESTING IT. IN THE IMMEDIATE FUTURE, GIVE LEGAL STATUS TO THE COMPANEROS OF (APSEL), (SITINPEP), AGEMHA ((GENERAL ASSOCIATION OF FINANCE MINISTRY EMPLOYEES -- FBIS)), CITAS, AND SO ON.

15. RESPECT THE FREEDOM OF ORGANIZATION AND MOBILIZATION OF GUILDS, UNIONS, AND COOPERATIVES. IN THE IMMEDIATE FUTURE, RETURN THE OFFICES AND LAND TO THE NONGOVERNMENTAL ANIS ((NATIONAL ASSOCIATION OF SALVADORAN INDIANS -- FBIS)) AND THE PEOPLE'S DEFENSE COOPERATIVE, WHICH BELONGS TO FEDECOPADES ((FEDERATION OF COOPERATIVE ASSOCIATIONS OF AGRICULTURAL-LIVESTOCK PRODUCTION OF EL SALVADOR -- FBIS)).

16. ISSUE A NEW LABOR CODE DRAFTED BY THE WORKERS; ENSURE THAT THE GOVERNMENT WILL ABSTAIN FROM APPROVING ANY OTHER CODE NOT PROPOSED BY GUILD AND LABOR GROUPS.

17. REPEAL ALL DECREES AND LAWS RESTRICTING INDIVIDUAL OR COLLECTIVE RIGHTS. THIS INCLUDES THE TRIAL AND PUNISHMENT OF THE INTELLECTUAL AND FACTUAL AUTHORS OF MURDERS, KIDNAPPINGS, TORTURES, AND ANY OTHER FORMS OF HUMAN RIGHTS VIOLATIONS.

18. IMMEDIATLY EXPEL FROM OUR COUNTRY THE AMERICAN INSTITUTE FOR THE DEVELOPMENT OF FREE LABOR UNIONS ((INSTITUTO AMERICANO PARA EL DESARROLLO DEL SINDICALISMO LIBRE)).

19. RECOVER NATIONAL SOVEREIGNTY BY ENDING U.S. GOVERNMENT MEDDLING IN OUR INTERNAL AFFAIRS AND ESTABLISH RELATIONS WITH ALL THOSE GOVERNMENTS THAT ARE WILLING TO RESPECT OUR NATIONAL SOVEREIGNTY AND THE SELF-DETERMINATION OF THE SALVADORAN PEOPLE.

20. IMMEDIATELY END THE FORCEFUL RECRUITMENT OF SALVADORAN YOUTHS.

21. DECREE A GENERAL AMNESTY FOR ALL POLITICAL AND LABOR PRISONERS.

22. SEEK AS SOON AS POSSIBLE MECHANISMS TO FIND A POLITICAL SOLUTION TO THE ARMED CONFLICT AND THE STRUCTURAL CRISIS OF THE SOCIO-ECONOMIC SYSTEM.

GO AHEAD BROTHER WORKER, THE TIME HAS COME TO INCREASE THE LEVELS OF ORGANIZATION AND COMBATIVE STRUGGLE! ((END RECORDING))
(ENDALL) 012200 JAL/SMITH/MF 03/0326Z JUN

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INFO AMEMBASSY SAN SALVADOR

PINS 4-5

UNCLAS STATE 187679

E.O. 12356: N/A
TAGS: PINS, PTER, PHUM, PREF, ES
SUBJECT: FRONT GROUPS IMPLEMENT FMLN ACTION PLAN

FOLLOWING IS A REPEAT QUOTE
R 052301Z JUN 87
FM AMEMBASSY SAN SALVADOR
TO SECSTATE WASHDC
INFO USIA WASHDC
AMEMBASSY GUATEMALA

AMEMBASSY TEGUCIGALPA
AMEMBASSY SAN JOSE
AMEMBASSY MADRID
AMEMBASSY MANAGUA
USMISSION GENEVA
USMISSION USUN NEW YORK
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UNCLAS SAN SALVADOR 7388

MADRID PLEASE PASS TO PASTOR RIDRUEJO

E.O. 12356: NA
TAGS: PINS, PTER, PHUM, PREF, ES
SUBJECT: FRONT GROUPS IMPLEMENT FMLN ACTION PLAN

REF: A. SAN SALVADOR 6754
- B. SAN SALVADOR 6252
- C. SAN SALVADOR 6784

1. SUMMARY

DURING AN APRIL 27, 1987 RAID ON A POPULAR LIBERATION FORCES (FPL) SAFEHOUSE IN NORTHERN SAN SALVADOR CITY, THE NATIONAL POLICE FOUND DOCUMENTS DETAILING INSTRUCTIONS

FROM THE FMLN GENERAL COMMAND FOR GUERRILLA FRONT GROUPS TO UNDERTAKE A SERIES OF PROVOCATIVE OPERATIONS SUCH AS CHURCH AND EMBASSY TAKEOVERS, PRISON RIOTS, AND VIOLENT DEMONSTRATIONS CALLING FOR GENERAL AMNESTY. THE DOCUMENT STATES THE FMLN GENERAL COMMAND HAS DETERMINED THAT THE NEXT TWO YEARS CONSTITUTE A CRUCIAL PREPARATORY PHASE OF THE GUERRILLA COUNTEROFFENSIVE STRATEGY. THE OBJECTIVE IS FOR THESE FRONT ORGANIZATIONS TO CREATE THE "NECESSARY CONDITIONS" FOR SUCCESSFUL INSURRECTION. THE MASSES ARE TO BE PREPARED FOR AN ESCALATION IN VIOLENCE, AND AUTHORITIES PROVOKED INTO CONFRONTATIONS AIMED AT CAUSING ONE OR MORE DEATHS TO BE USED AS MARTYRS.

2. IN THE PAST SEVERAL WEEKS, THE FMLN PLAN OF ACTION HAS BEEN CARRIED OUT BY THE FRONT GROUPS ALMOST EXACTLY ACCORDING TO INSTRUCTIONS. ONLY AN EMBASSY HAS YET TO BE TAKEN. WHILE CAPABLE OF MOUNTING LIMITED OPERATIONS SUCH AS CHURCH TAKEOVERS AND VIOLENT PROTEST MARCHES, THE FRONT GROUPS HAVE THUS FAR FAILED TO MOBILIZE POPULAR SUPPORT, AND THE DEMONSTRATIONS HAVE BECOME INCREASINGLY VIOLENT. THE CAPTURED DOCUMENTS ALONG WITH THE CHRONOLOGY OF RECENT

FRONT GROUP ACTIVITIES CLEARLY REVEAL THE FMLN/FRONT GROUP MASTER/SERVANT RELATIONSHIP. END SUMMARY.

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3. FMLN BLUEPRINT FOR ACTION
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THE FOLLOWING ARE EXCERPTS FROM THE DOCUMENT:

(BEGIN EXCERPTS)

THE GENERAL COMMAND HAS CONVEYED A SERIES OF INDICATIONS OF CONDITIONS THAT WE MUST PREPARE. THE IDEA IS THAT WE (FMLN) MUST CONTINUE ADVOCATING OR CREATING CONDITIONS FOR THE PRE-INSURRECTION MOMENT. THE GENERAL COMMAND HAS DEFINED THAT THESE NEXT TWO YEARS ARE "PREPARATION FOR THE COUNTEROFFENSIVE STRATEGY" AND THIS MUST NOT BE ONLY "DECLARATIVE" BUT MUST BE PUT INTO PRACTICE.

4. PLAN FOR METROPOLITAN AREA (SAN SALVADOR)

A) SEIZURE OF CHURCHES AND CATHEDRALS IN SANTA ANA (AND OTHER METROPOLITAN AREAS) BY DISPLACED PERSONS (CRIPDES -- CHRISTIAN COMMITTEE FOR THE DISPLACED).

B) SEIZURE OF AN EMBASSY OR EMBASSIES BY THE CO-MADRES (COMMITTEE OF MOTHERS AND FAMILIES OF POLITICAL PRISONERS, DISAPPEARED PERSONS AND ASSASSINATED OF EL SALVADOR -- MONSENOR OSCAR ARNULFO ROMERO).

C) UPRISINGS BY THE COMMITTEE OF POLITICAL PRISONERS OF EL SALVADOR (COPPES) WITH HOSTAGES TAKEN FROM THE PRISON GUARDS AND ADMINISTRATORS.

SIMULTANEOUS TAKEOVERS ARE PREFERRED TO DEMONSTRATE STRENGTH. THEMES WHICH CAN BE PURSUED INCLUDE:
1) THE NEED OF DISPLACED PERSONS TO RETURN TO THEIR FORMER RESIDENCES IN TIME FOR PLANTING CROPS, AND TERMINATION OF BOMBINGS (AIR FORCE)

2) JUSTIFICATION OF THE OPERATION:
-- A) THE REPRESSION, BOMBINGS, MASSACRES THAT THESE PEOPLE LIVED THROUGH BEFORE ABANDONING THEIR LAND;
-- B) THE SITUATION IN WHICH THE PRESENTLY LIVE; AND
-- C) THAT THE DEMANDS OF THE DISPLACED FOR THEIR RIGHTS HAVE NOT BEEN HEARD AND THE ONLY WAY IS TO "TAKE REFUGE" IN THE CATHEDRAL AND CREATE A TRIBUNAL OF DENUNCIATION.

(EMBASSY NOTE: THE INSTRUCTIONS EMPHASIZE THAT THE WORDS, "TAKE REFUGE" BE USED AND NEVER "TAKE OVER.")

THESE ACTIVITIES COULD LAST THREE DAYS EACH IF DONE CONSECUTIVELY OR FOUR TO FIVE DAYS IF DONE CONCURRENTLY. THE RETURN OF SEIZED CHURCHES MUST BE PLANNED TO DRAW MAXIMUM ATTENTION TO THE INCIDENT. AFTER ENDING THE TAKEOVER, ATTENTION IS MAINTAINED THROUGH SMALL RALLIES AND MEETINGS THREE OR FOUR BLOCKS FROM THE SITE.

5. CO-MADRES ACTIVITIES

DEMONSTRATIONS CONDUCTED BY THE CO-MADRES SHOULD CONSIST OF PAINTING SLOGANS CALLING FOR AMNESTY FOR POLITICAL PRISONERS ON THE NATIONAL ASSEMBLY WALLS AND VEHICLES, AND ISSUING DECLARATIONS TO THE VARIOUS COMMUNICATIONS MEDIA. THE CENTRAL IDEA IS THAT WE ARE NOT CONTENT WITH SIMPLY MOBILIZING OURSELVES AND DENOUNCING THE REFUSAL OF OFFICIALS TO RECEIVE US, BUT THAT WE ADVANCE TO MORE AGGRESSIVE ACTIONS TO PREPARE THE GROUND FOR VIOLENCE BY THE MASSES. THE CO-MADRES HAVE INCORPORATED GREAT AGGRESSIVENESS AND VIOLENCE IN THEIR LATEST OPERATIONS.

A STRETCH OF ROAD BY THE ASSEMBLY SHOULD BE OCCUPIED FOR TWO HOURS. OTHER TEAMS SHOULD BE READY TO MAKE DENUNCIATIONS TO THE ICRC AND EMBASSIES IF SOMEONE IS RUN OVER.

MEDICAL TEAMS SHOULD BE ENLISTED TO PREPARE FOR THE EVENTUA-ITY THAT THE GOVERNMENT WILL EMPLOY FORCE TO EVICT AND CONTAIN THE DEMONSTRATIONS. IN THE EVENT OF DEATHS, THE WAKE AND BURIAL SHOULD BE CONDUCTED THE FOLLOWING DAY. THE WAKE COULD TAKE PLACE IN FRONT OF OR ADJACENT TO THE U.S. EMBASSY.

6. DEMAND FOR AMNESTY

PLANS FOR THIS INCLUDE ENUMERATION OF ALL ACTIVITIES PROMOTED BY CO-MADRES TO WIN ITS CENTRAL OBJECTIVES:
-- DENOUNCE THAT DESPITE THE LONG STRUGGLE, THE PROBLEMS OF THE DISAPPEARED, ASSASSINATED AND CAPTURED PEOPLE REMAIN.
-- DENOUNCE THE REPRESSIVE APPARATUS THAT JUSTIFIES HUMAN RIGHTS VIOLATIONS.

-- SINCE IT (CO-MADRES) HAS HAD SO LITTLE SUCCESS IN GETTING ATTENTION, IT IS FORCED TO RESORT TO AGGRESSIVE ACTIONS, TAKING OVER A STREET, A CHURCH, AN EMBASSY, ETC., SO THAT PERHAPS (PRESIDENT) DUARTE, (ASSEMBLY PRESIDENT) GUEVARA LACAYO, AND THE ARMY WOULD LISTEN TO THEM AND FULFILL THEIR PROMISES.

THIS ACTIVITY SHOULD BE COORDINATED WITH COPPES. A MEETING COULD BE HELD TO DETERMINE WHAT OTHER RELEVANT ACTIVITIES THEY COULD DO.

7. COPPES ACTIVITIES

REGARDING THE UPRISINGS BY THE POLITICAL PRISONERS CITED ABOVE, THIS MAY NOT BE PRUDENT DUE TO THE LACK OF A CAPABLE CADRE AND BECAUSE CONSIDERATION MUST BE GIVEN TO THE POSSIBILITY THAT LOSS OF LIFE WILL OCCUR INSIDE THE FACILITY.

THE PLAN IS A COORDINATED OPERATION WITH CO-MADRES WORKING ON THE OUTSIDE WHILE COPPES OPERATES WITHIN THE PRISON.

SINCE COPPES IS SEEN TO HAVE LIMITED OPTIONS, MOST OF THE ACTIVITIES ARE TO BE CARRIED OUT BY CO-MADRES. THE IDEA IS TO HAVE CO-MADRES PUBLICLY REQUEST A MEETING WITH AN UNIDENTIFIED IMPORTANT PERSON TO DEMAND AMNESTY FOR POLITICAL PRISONERS AND BETTER LIVING CONDITIONS. THE PRESS WILL BE INVITED TO THIS MEETING. IF THE OFFICIAL RECEIVES THEM, THE CO-MADRES WILL PUBLICLY DENOUNCE HIM, EXPLAIN THEIR PLATFORM, DEMANDS, ETC. IF HE DOES NOT RECEIVE HIM, THEY WILL DENOUNCE HIS REFUSAL, MAKE OTHER DENUNCIATIONS, EXPLAIN THEIR PLATFORM, DEMAND BETTER LIVING CONDITIONS AND CONVOKE A MEETING WITH THE COMMUNICATIONS MEDIA A FEW DAYS LATER.

THE PRISON TAKEOVER SHOULD NOT LAST INDEFINITELY. IT SHOULD LAST 5-8 DAYS AND DURING THIS TIME CO-MADRES ACTIVITY SHOULD CONTINUE THROUGH PRESS CONFERENCES, DISTRIBUTION OF PROPAGANDA IN MARKET PLACES, UNIVERSITIES, ETC., DELIVERY OF DOCUMENTS DEMANDING AMNESTY AND DENUNCIATION OF HUMAN RIGHTS TO EMBASSIES.

(END EXCERPTS)

8. IMPLEMENTATION OF THE PLAN

THUS FAR, TWO OF THE THREE ACTIVITIES DETAILED IN THIS DOCUMENT AVE BEEN CARRIED OUT ALMOST EXACTLY ACCORDING TO THESE INSTRUCTIONS. ONLY AN EMBASSY HAS YET TO BE TAKEN. THE ACTIONS SO FAR INCLUDE THE FOLLOWING:

9. PRISON UPRISINGS AND DEMAND FOR AMNESTY

ON MAY 13, IN MARIONA PRISON, 150 OF THE 800 "DECREE 50" PRISONERS STAGED A PEACEFUL "SYMBOLIC" TAKE-OVER OF THE PRISON'S ADMINISTRATIVE OFFICES CALLING FOR GENERAL AMNESTY. PRISON AUTHORITIES KNEW OF THE PLAN BEFOREHAND. THERE WAS NO VIOLENCE AND IT WAS OVER IN A MATTER OF HOURS. ON MAY 25, PRISONERS AT MARIONA BEGAN A HUNGER STRIKE TO PRESSURE THE GOVERNMENT TO GRANT UNCONDITIONAL GENERAL AMNESTY TO ALL POLITICAL DETAINEES. ACCORDING TO COPPES, 25 PRISONERS BEGAN THE STRIKE AND MORE WILL JOIN AS THE HUNGER STRIKE PROGRESSES. THE HUNGER STRIKE IS TO PROTEST THE GOVERNMENT'S PROPOSED PARTIAL AMNESTY, WHICH ACCORDING TO COPPES "VIOLATES HUMAN RIGHTS BECAUSE IT IS UNJUST AND INSUFFICIENT. WE REJECT THE PARTIAL AMNESTY BECAUSE DUARTE IS TRYING TO DECEIVE THE SALVADORAN PEOPLE AND THE INTERNATIONAL COMMUNITY WITH A FALSE IMAGE OF HUMANITARIANISM AND A SUPPOSED IMPROVEMENT OF HUMAN RIGHTS." (FYI: THE GOES AMNESTY PROPOSAL WHICH IS CURRENTLY UNDER CONSIDERATION IN THE NATIONAL ASSEMBLY COULD FREE ABOUT 600 OF THE 800 DECREE 50 PRISONERS, EXEMPTING, HOWEVER, CASES OF TERRORISM AGAINST THE STATE, KIDNAPPERS AND DRUG TRAFFICKERS.)

10. ON MAY 31, ABOUT 200 MEMBERS OF CO-MADRES AND UNTS (THE NATIONAL UNITY OF SALVADORAN WORKERS) GATHERED OUTSIDE MARIONA PRISON IN SUPPORT OF THE HUNGER STRIKE. IN KEEPING WITH FMLN INSTRUCTIONS, THE DEMONSTRATORS PAINTED THE OUTSIDE OF THE PRISON'S WALLS, SCALED THE OUTER PRISON WALL TO HANG BANNERS, AND PLACED LOGS ON THE ROAD RUNNING BY THE PRISON TO STOP TRAFFIC. THE DEMONSTRATORS ALSO DEMANDED AMNESTY FOR ALL "POLITICAL" PRISONERS AND THE "RETURN" OF THE DISPLACED. UNDER CIRCUMSTANCES STILL UNCLEAR, ONE DEMONSTRATOR -- JULIO CESAR PORTILLO, AN UNTS EXECUTIVE COMMITTEE AND FPL MEMBER -- WAS SHOT AND WOUNDED. THE DIRECTOR OF THE TREASURY POLICE, GENERAL RINALDO GOLCHER, IN A TELEVISED SPEECH DENYING THAT HIS FORCES SHOT PORTILLO, AGAIN DETAILED THE

FMLN DOCUMENT TO PROVE THESE GROUPS TIES WITH THE FMLN.

11. CO-MADRES SUPPORT ACTIVITIES

CO-MADRES IS CARRYING OUT ITS PART OF THE PLAN AND IS SUPPORTING COPPES WITH DAILY STATEMENTS AND DEMONSTRATIONS BEFORE THE ASSEMBLY AGAINST THE GOES' PROPOSED PARTIAL AMNESTY AND IN FAVOR OF A GENERAL AMNESTY. CO-MADRES, THE FMLN LABOR FRONT UNTS, AND UNIVERSITY ORGANIZATIONS SUCH AS FEUS/AGEUS HAVE STAGED INCREASINGLY VIOLENT DEMONSTRATIONS IN FRONT OF THE U.S. EMBASSY AND HAVE BLATANTLY TRIED TO PROVOKE THE POLICE FORCES PROTECTING THE EMBASSY INTO VIOLENCE AGAINST DEMONSTRATORS. CO-MADRES FINALLY BECAME TIRED OF WAITING FOR A MARTYR AND DECIDED TO INVENT ONE. ON MAY 16, A HANDFUL OF DEMONSTRATORS CAME TO THE U.S. EMBASSY WITH A CASKET WHICH THEY CLAIMED CONTAINED THE BODY OF A WOMAN KILLED BY AN EMBASSY VEHICLE DURING A DEMONSTRATION IN FRONT OF THE EMBASSY THE PREVIOUS DAY. ACCORDING TO AN EYEWITNESS, THE WOMAN WAS HIT NEAR THE EMBASSY. HOWEVER NO EMBASSY PERSONNEL OR VEHICLES WERE INVOLVED IN THE INCIDENT, AND THE VEHICLE IDENTIFIED BY THE WITNESS BELONGS TO A PRIVATE CITIZEN.

12. CATHEDRAL TAKEOVERS

ON MAY 27, MEMBERS OF THE CHRISTIAN COMMITTEE FOR DISPLACED PERSONS (CRIPDES) TOOK OVER THE METROPOLITAN CATHEDRAL IN SAN SALVADOR AS WELL AS THE CHURCH OF THE CALVARY AND ANNOUNCED THEIR DEMANDS. THESE INCLUDED PERMISSION TO RETURN TO THEIR HOMES IN USULUTAN AND CHALATENANGO DEPARTMENTS, AN END TO FORCED RECRUITMENT, GENERAL AMNESTY FOR POLITICAL PRISONERS, AND BETTER LIVING CONDITIONS FOR DISPLACED PERSONS. ON MAY 29, CO-MADRES TOOK OVER THE SAME CATHEDRAL AND THEN LED A MARCH OF SOME 70 DEMONSTRATORS TO THE U.S EMBASSY WHERE THEY THREW PAINT AND ROCKS AT THE CHANCERY IN AN EFFORT TO PROVOKE A VIOLENT CONFRONTATION WITH THE POLICE. THIS WAS THE MOST VIOLENT PROTEST MARCH IN FRONT OF THE EMBASSY IN RECENT YEARS. THE GROUPS ARE ALSO PAINTING CARS IN THE VICINITY OF THEIR DEMONSTRATIONS, A PRACTICE THEY INITIATED ONLY A FEW MONTHS AGO.

13. RADIO FARABUNDO MARTI BROADCASTS UNTS PROCLAMATION

ON JUNE 1, FPL-SUPPORTED RADIO FARABUNDO MARTI BROADCAST AN UNTS "PLATFORM OF THE WORKERS TO RESOLVE PROBLEMS FACING THE FATHERLAND." THE PLATFORM BASICALLY FOLLOWS THE SCRIPTED FMLN LINE: CALLING FOR THE RESIGNATION OF PRESIDENT DUARTE, A REPEAL OF DUARTE'S ECONOMIC MEASURES, THE SUSPENSION OF ELECTRICTY RATIONING, AND GENERAL AMNESTY FOR ALL POLITICAL AND LABOR PRISONERS. THIS IS ONE OF THE FEW TIMES A GUERRILLA RADIO STATION HAS BROADCAST AN UNTS MESSAGE, MAKING MORE OBVIOUS THE TIES BETWEEN THE TWO ORGANIZATIONS.

14. "NO PEACE UNLESS DUARTE RESIGNS"

ON JUNE 4, THE THREE CO-MADRES GROUPS NOW AFFILIATED IN "FECMAFAM" PUBLISHED A FULL-PAGE AD DENOUNCING THE WHOLE RANGE OF ALLEGED HUMAN RIGHTS VIOLATIONS. THE AD SEEKS INDEMNIFICATION FOR THE DAMAGES CAUSED BY "THE DEATH SQUADS" TO THE CO-MADRES OFFICES AND DEMANDS FULL AMNESTY AND INDEMNIFICATION FOR ALL "POLITICAL PRISONERS" AS WELL AS TRIALS ON KIDNAPPING CHARGES OF THE JUDGES WHO PUT THEM

IN PRISON. THE MOTHERS SAY THEY WILL HOLD PRESIDENT DUARTE AND THE COMBINED GENERAL STAFF RESPONSIBLE FOR ANY ACTIONS AGAINST "POPULAR ORGANIZATIONS" FROM TODAY ON. THE AD CONCLUDES IN LARGE LETTERS: "STOP THE ATTACKS AND REPRESSION AGAINST THE SALVADORAN PEOPLE. NO TO DEATH SQUADS. THERE WILL BE NO PEACE IF DUARTE DOES NOT RESIGN."

15. COMMENT: FRONT GROUPS WITHOUG A FIG LEAF

THE FMLN IS COUNTING HEAVILY ON THE FRONT GROUPS TO PREPARE THE GROUND FOR THE PLANNED COUNTEROFFENSIVE ESPECIALLY IN THE CAPITAL OF SAN SALVADOR. WHILE THE FMLN-CONTROLLED LABOR CONFEDERATION UNTS AND THE TWO UNIVERSITY STUDENTS ASSOCIATIONS AGEUS AND FEUS ARE NOT MENTIONED IN THESE PARTICULAR DOCUMENTS, THEIR FERVENT PARTICIPATION IN THE VIOLENT DEMONSTRATION OF THE PAST MONTH INDICATES THAT THEY ARE AS COMMITTED TO THE CAUSE AS THE OTHERS. RESULTS ARE VERY MIXED, HOWEVER. COPPES, CRIPDES, CO-MADRES, AND THE UNTS HAVE BEEN WORKING MUCH CLOSER TOGETHER OVER THE LAST TWO MONTHS THAN THEY HAD IN THE PAST. CRIPDES WENT SO FAR AS TO JOIN UNTS -- WHICH IS SUPPOSED TO BE A LABOR ORGANIZATION -- IN MAY. ALSO ON MAY 14, THE NATIONAL UNIVERSITY AND UNTS SIGNED AN AGREEMENT OF COOPERATION. ON JUNE 2, IN RESPONSE TO GENERAL GOLCHER'S SPEECH DETAILING THE FMLN'S ORDERS TO THESE FRONT GROUPS, CRIPDES AGAIN DENIED THE FMLN AFFILIATION, DECLARING THAT ITS DEMANDS, I.E., RETURN OF DISPLACED PERSONS TO THEIR HOMES AND THE END OF BOMBING, ARE NOT ISSUES THAT AFFECT THE FMLN. THE THREE CO-MADRES ORGANIZATIONS CONTINUE TO DENY ANY AFFILIATION WITH THE FMLN.

16. WHILE THE FRONT GROUPS ARE CAPABLE OF MOUNTING RELATIVELY LOW COST OPERATIONS SUCH AS CHURCH TAKEOVERS AND VIOLENT DEMONSTRATIONS, THEY HAVE FAILED COMPLETELY IN "MOBILIZING THE MASSES," AS CALLED FOR BY THE FMLN GENERAL COMMAND. IN FACT, FEWER AND FEWER PEOPLE SEEM TO BE TAKING PART IN THESE EVENTS. AT THIS POINT IT IS UNCLEAR IF THE LACK OF POPULAR SUPPORT HAS DRIVEN THE FRONT GROUPS INTO INCREASINGLY DESPERATE ACTIONS OR IF THE VIOLENT ACTIONS ORDERED IN THESE INSTRUCTIONS FROM THE FMLN HAVE FRIGHTENED OFF POTENTIAL DEMONSTRATORS.

17. THERE IS NO DOUBT THAT THE GROUPS ARE SEEKING TO CREATE A MARTYR OR MARTYRS. THEY NOW HAVE THE WOMAN SUPPOSEDLY RUN OVER NEAR THE EMBASSY ON MAY 15, THE OFFICE OF THE CO-MADRES WAS BOMBED ON MAY 23, AND ON MAY 31, UNTS LEADER JULIO CESAR PORTILLO WAS SHOT IN A DEMONSTRATION IN FRONT OF MARIONA PRISON. THE CHARGE THAT THE WOMAN WAS RUN OVER BY THE EMBASSY IS WITHOUT FOUNDATION. THE BOMB AT CO-MADRES EXPLODED INSIDE THE BUILDING, NOT OUTSIDE AS HAS BEEN THE NORM IN EL SALVADOR, RASING SERIOUS QUESTIONS ABOUT WHAT HAPPENED AND WHO PLANTED THE BOMB. THE CO-MADRES HAVE REFUSED TO LET THE POLICE INVESTIGATE THE CRIME, NOR WOULD THEY ALLOW AN FBI BOMB EXPERT TO EXAMINE THE DEBRIS. WHETHER PORTILLO ACCIDENTALLY SHOT HIMSELF OR WAS SHOT BY FMLN MEMBERS OR PRISON GUARDS IS STILL IN DISPUTE. FELLOW UNTS LEADERS REFUSED TO TAKE HIM TO A HOSPITAL FOR TREATMENT AND HAVE KEPT HIM IN HIDING, REPORTEDLY ON THE UNIVERSITY CAMPUS.

18. THE CAPTURED DOCUMENTS TOGETHER WITH THE CHRONOLOGY OF RECENT FORNT GROUP ACTIONS HAVE THE AIR ABOUT THEM OF A DEADLY PLAY SCRIPT BEING ACTED OUT ON THE STREETS OF SAN SALVADOR. THESE GROUPS WERE FORMED TO TAKE ADVANTAGE OF LEGITIMATE CONCERNS OF SALVADORANS AND OF WELL-MEANING INDIVIDUALS IN THE UNITED STATES AND EUROPE ABOUT HUMAN

RIGHTS (CO-MADRES), LABOR ISSUES (UNTS), THE DISPLACED (CRIPDES), THE UNIVERSITY (AGEUS-FEUS), AND "POLITICAL PRISONERS" (COPPES) USING THESE ISSUES, THESE GROUPS HAVE COLLECTED FUNDS, CONDUCTED TOURS FOR POLITICAL PILGRIMS, AND RAISED CONSCIOUSNESS THROUGH THEIR NETWORKS ABROAD. IN THEIR MINDLESS ZEAL TO PLAY THEIR APPOINTED ROLES, THE FRONT GROUPS HAVE BEEN LEFT WITHOUT A FIG LEAF TO COVER THE MASTER/SERVANT, RELATIONSHIP BETWEEN THE FMLN AND THEMSELVES. THESE GROUPS ARE NO LONGER FRONTS OPERATING IN THE FUZZY LEGALITY OF BARELY NON-VIOLENT POLITICAL ACTIVITY. THEY ARE PART AND PARCEL OF THE FMLN APPARATUS READY TO USE ANY MEANS NECESSARY TO BRING MARXIST-LENINIST GOVERNMENT TO POWER IN EL SALVADOR.

19 DEPARTMENT MAY WISH TO DISSEMINATE THIS INFORMATION MORE WIDELY TO EUROPEAN POSTS, INTERNATIONAL HUMAN RIGHTS ORGANIZATIONS, AND MEMBERS OF CONGRESS. UNQUOTE
WHITEHEAD

100th Congress
1st Session

COMMITTEE PRINT

No. 6

UNITED STATES AND SOVIET SPECIAL OPERATIONS

A STUDY BY THE
CONGRESSIONAL RESEARCH SERVICE
LIBRARY OF CONGRESS

prepared at the request of the

SPECIAL OPERATIONS PANEL

OF THE

READINESS SUBCOMMITTEE

OF THE

COMMITTEE ON ARMED SERVICES

HOUSE OF REPRESENTATIVES

ONE HUNDREDTH CONGRESS

FIRST SESSION

APRIL 28, 1987

U.S. GOVERNMENT PRINTING OFFICE
72-338 WASHINGTON : 1987

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April 28, 1987

Honorable Les Aspin
Chairman
Committee on Armed Services
U. S. House of Representatives
Washington, D. C.

Dear Mr. Chairman:

On behalf of the Readiness Subcommittee and its Special Operations Panel, I herewith forward a copy of a study commissioned by the Special Operations Panel entitled "U. S. and Soviet Special Operations." This study was prepared by the Congressional Research Service of the Library of Congress and was authored by Mr. John M. Collins, Senior Specialist in National Defense.

In order that this report may be shared with our colleagues, I request your authorization to print the study as a committee print.

In appreciation,

Sincerely,

Earl D. Hutto

Earl D. Hutto
Chairman, Special Operations Panel

Approved for printing:
April 28, 1987.

Les Aspin

To:

U.S. special operations forces, military and civilian, whose contributions to national defense are needed and unique, because they dare to be different.

Congressional Research Service
The Library of Congress

Washington, D.C. 20540

U.S. AND SOVIET SPECIAL OPERATIONS

by
John M. Collins
Senior Specialist in National Defense
December 23, 1986

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FOREWORD

The United States, Soviet Union, associates on both sides, and third parties conduct special operations in "peacetime" and war. This Panel therefore asked John M. Collins, Senior Specialist in National Defense at the Library of Congress, to appraise U.S. competence and suggest optional ways to improve U.S. posture (see request letter on the following page).

His report provides top-level policymakers, planners, and supervisors a broad perspective, because it ranges widely, taking pains to explain why U.S. and Soviet policies, programs, and performance are so different. Perhaps 40-50 highly-respected professionals critiqued the draft (see Acknowledgements). Many useful amendments followed.

The author contends that "virtually every U.S. macro command/control, planning, and SOF force posture problem derives mainly from misunderstandings. Few members of the U.S. Government and military establishment fully appreciate special operations threats, capabilities, limitations, and relationships with the rest of our security apparatus." Five other findings merit repetition:

--Humans are more important than hardware.

--Their quality is more important than quantities.

--Special operations forces (SOF) cannot be mass-produced.

--Competent SOF cannot be created after emergencies occur.

--Most special operations require non-SOF assistance.

The glossary contains many special operations definitions that the Department of Defense Dictionary of Military and Associated Terms omits and modifies others realistically. It clearly differentiates, for example, "low-intensity conflict" (a form of warfare) from "special operations" (a capability). The identification of "freedom fighter" depends on motives, not actions, and "terrorist" on actions, not motives. The 322 source notes facilitate further study, because most contain multiple entries.

John Collins, in short, has produced a special operations handbook that could serve the Congress and the Executive Branch for a long time.

Earl Hutto

Earl Hutto
Chairman
Special Operations Panel

ACKNOWLEDGEMENTS

Congressman Earl Hutto (D.-Fl.), Chairman of the Special Operations Panel, House Armed Services Committee, started this study in September 1985, when he requested an unclassified survey "covering the complete range of U.S.-Soviet competition in this complex field, which is assuming ever greater importance." Tom Tamura, his Legislative Director, working closely with Ted Lunger, a professional staff member on the Readiness Subcommittee, supervised publication.

A parade of special operations experts provided indispensable advice and assistance during production, reviewed various versions for factual accuracy, emphasis, and interpretations, then recommended additions, deletions, and other amendments. Central points of contact contributed directly and, in many instances, collated input from assistants. I salute them all, including those I cannot name.

Two retired Army generals gave invaluable guidance. "Barbwire Bob" Kingston was my basic sounding board for the full year. Richard G. Stilwell scrubbed two drafts. Both belong to DOD's Special Operations Advisory Group (SOPAG), and both are "voices of experience" with different perspectives. Reviewers assigned to Central Intelligence Agency must remain anonymous. Several Defense Department officials were particularly helpful: Lynn Rylander and Lt. Col. Tim Davidson, Directorate for Special Planning (OSD); Ed Abood, Special Advisory Staff (OSD); Col. Bob Murphy, Col. Gene Russell, and Lt. Col. Mike Roche (JSOA); Lt. Col. Rick Kiper and Majors Andy Berdy, Jack Caplin, and Don Jagger (Army); Capt. Ted Grabowski and Lt. Bill McRaven (Navy); Col. John Roberts (Air Force); Maj. Bobbie Martin (Marine Corps); Dr. Jack Dziak and Capt. Rick Brown (DIA); Col. Paul Fisher (1st SOCOM); Capt. Bill Burgess (6th Infantry Division, Fort Richardson, Alaska).

Colleagues in the Library of Congress, who asked hard questions, were also sources of information that kept me from straying too far afield in their subject areas: Senior Specialists John Hardt and Joe Whelan (Soviet Affairs); Ray Celada (American Public Law); Stan Heginbotham (Chief, Foreign Affairs and National Defense Division); his deputy, Bob Sutter; Larry Storrs (Latin America), Ray Copson (Africa), Rich Cronin (most of Asia), and Clyde Mark (Middle East); Dick Grimmett (economic and military assistance); Ted Galdi (political economy); Joel Woldman (public information); Steve Bowman and Jim Wootten (assorted aspects of special operations). Jim Robinson, Chief of the CRS Review Section, clarified imprecise words and phrases. Winston Woodland, Carolyn Hatcher, and Ida Eustis as usual supplied unbeatable library support. Jeanne Hamilton arranged for Art Services, Inc., to put maps and "wiring diagrams" in final form. Dianne Rennack turned my "chicken-track" writing into professionally styled text and tables. Finally, I thank Swift, my

spouse, whose special operations at home were a huge help.

Many participants, in short, can take partial credit for any bouquets the report attracts, but are absolved of any blame, because none ever saw the final product before publication.

John M Collins

John M. Collins
Senior Specialist in National Defense

BACKGROUND, PURPOSE, AND SCOPE

> Two roads diverged in a wood, and I--
> I took the one less travelled by,
> And that has made all the difference.
>
> Robert Frost
> The Road Not Taken

Soviet leaders, in their quest for a favorable correlation of forces, deploy a panoply of nuclear, chemical, biological, and conventional military power.1/ They also take a less travelled road, marked "Special Operations," trying to outflank rivals at global, theater, and local levels across the politico-military spectrum. Vehicles include covert/clandestine activities of all kinds, with particular attention to insurgencies, transnational terrorism, and psychological operations (psyop). De facto proxies augment Moscow's capabilities, when direct Soviet involvement might be imprudent or too expensive. Massive internal security measures simplify counterterrorism and make it difficult for counterrevolutions to flourish at home or in satellite states. Overall performance is by no means perfect, but regard for special operations remains unflagging.

U.S. appreciation, defined narrowly in mainly military terms, is trendy and intermittent. Elite Ranger battalions, lionized for daring deeds during World War II, later left Army rolls for 35 years, until admirers restored them. Green Berets, briefly popular when Kennedy was President, fell from favor for a decade after the Vietnam War, before they began to revive. Psyop, which should underpin or supplement most special operations, attracts scant attention. Tactics outshine strategies. Forces outrank employment concepts, which presently emphasize so-called "low-intensity" conflicts that U.S. leaders largely overlooked when nuclear deterrence and NATO defense were their only serious national security concerns.2/*

This unclassified net assessment and critique has a three-fold purpose:

--To compare U.S. and Soviet special operations competence;
--To isolate resultant U.S. problems; and

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* Some senior U.S. officials believe that "special operations" and "low-intensity conflict (LIC) are interchangeable terms, but they are not synonymous. LIC is a form of warfare that may slight special operations or make them the centerpiece. Special operations, which constitute capabilities, can complement every type of combat, regardless of intensity.

--To establish objective standards for improvements.

Chapters 1-3 cover U.S. and Soviet priorities, force postures, concepts, and performance, with particular attention to relative strengths, weaknesses, opportunities, and vulnerabilities. Chapter 4 silhouettes U.S. shortcomings and lists requirements that corrective courses of action should observe. Chapter 5 compiles findings. Annex A, flagged throughout the basic text for easy reference, summarizes tasks across the conflict spectrum; describes skills needed to accomplish them successfully; differentiates unipurpose from multipurpose special operations forces (SOF); then outlines command/control, accouterments, and esoteric support requirements. It also addresses tradeoffs between political, economic, military, social, and psychological tools, which vary in value, depending on goals, targets, and available time. Discussion throughout is designed to make fundamental information available in minimum time. Documentation, which provides depth, facilitates further study. Several figures graphically compare U.S. and Soviet special operations. A glossary (Annex B) and list of abbreviations (Annex C) clarify many terms in this arcane field.

Special operations, as defined herein, embrace a wide range of unorthodox, comparatively low-cost, potentially high-payoff, often covert or clandestine methods that national, subnational, and theater leaders may employ independently in "peacetime" or to support nuclear, biological, chemical, and/or conventional warfare of low-, mid-, and high-intensity. Special operations forces (SOF), which are small, carefully selected, and superlatively trained for specific rather than general purposes, can accomplish some missions unassisted, but non-SOF formations often are synergistic, as well as essential.

U.S. "core" SOF, for example, are confined to covert action components of Central Intelligence Agency (CIA); military elements assigned to Joint Special Operations Command (JSOC); Army Special Forces and the Ranger Regiment; Navy SEAL teams with delivery units; and 2d Air Division, plus (some say) search and rescue squadrons.3/* Those forces, however, cannot perform foreign internal defense (FID) or unconventional warfare (UW) missions unassisted. Psyop and civil affairs assets, among others, are equally (sometimes more) important. Federal, state, and local law enforcement agencies are the sine qua non for counterterrorism. KGB Border Guards and MVD Internal Troops are not strictly SOF, but the Soviet State relies extensively on their counterrevolutionary capabilities. Appraisals that overlook such relationships put special operations in false perspective, and ensure that the whole will be less than the sum of its parts.

The consequent compendium is intended as a tool to help U.S. policymakers and planners determine the optimum civilian/military mix, size, structure, and characteristics of U.S. special operations forces, together with proper doctrines, strategies, and tactics for their employment. It takes political, legal, moral, and budgetary limitations into account, and pays particular attention to pertinent trends that could increase or reduce future needs.

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* Chapter 2 describes each component in some detail.

Chapter 1

COMPARATIVE PRIORITIES

Dissimilar aspirations, institutions, cultures, experience, threat perceptions, and security problem-solving styles are a few among many factors that make U.S. and Soviet special operations very different.

The United States is a democracy responsive to people steeped in Judeo-Christian ethics, who generally respect the spirit, as well as the letter, of laws; fight "fairly," in accord with "rules;" and find "dirty tricks" repugnant. Free and competitive news media representatives make it difficult for the government to conduct secret operations. Safeguards against aggression depend primarily on deterrence and defense, defined mainly in straightforward military terms. U.S. leaders normally acknowledge a sharp boundary between peace and war (many believe the latter is an aberration, despite conclusive evidence to the contrary),[1] and severely restrict domestic security activities. Traditionalists in charge of our military establishment dislike elites. Those proclivities, in various combinations, account for the low priority U.S. policymakers historically have assigned most special operations. They also limit allowable targets, as well as techniques.[2]

The Soviet Union, conversely, is a totalitarian state governed by a small, secretive group of atheistic activists, selected by Communist Party competition, rather than popular will, who are guided by Leninist convictions that ends justify means. Carefully controlled news media shape public opinion, which has very limited influence. Leaders remain dedicated to revolution, which they hope will weaken, and eventually replace, non-Marxist governments everywhere. A favorable correlation of forces, according to their calculations, often depends more on sociopolitical strength than on military power.[3] So-called "peaceful coexistence" is not a substitute for combat, but a form of indirect conflict that replaces conventional military assaults with clandestine violence and overt nonlethal activities. Soviet leaders consequently have found special operations inviting since 1917.[4]

SOVIET CONSISTENCY

Consistently strong Soviet emphasis on offensive and defensive special operations, as defined by this study, spans the complete scope of politico-military competition.

Some tasks receive more attention than others, but all options seem open (Figures 1 and 2).*

Stress on subversion and psyop is strong in "peacetime," as well as hot and cold wars. Straightforward propaganda, disinformation, and infrastructure development in foreign countries appear to predominate.5/ The Soviet Constitution promises support for "national liberation" movements by insurgents who might help "ensure international conditions favorable for . . . consolidating the position of world socialism . . . ."6/ Soviet policymakers seem somewhat more moderate about transnational terrorism,7/ perhaps because they can neither control practitioners nor predict outcomes of such free-form combat.8/ No such vacillation is evident at mid- and high-intensity conflict levels, where Soviet concepts indicate that special operations customarily complement other kinds of warfare. Raids, ambushes, sabotage, "surgical" strikes against key enemy personnel, and unique intelligence missions all are important.9/

Internal security, including counterinsurgency and counterterrorism, shares top priority with defense against external aggression.10/ Long-standing Soviet policies, presently expressed as the Brezhnev Doctrine, "resolutely oppose the export and import of counterrevolution" anywhere in the socialist sphere. Their logic rejects the right of self-determination. "Each Communist Party is free in applying the principles of Marxist-Leninism . . . in its own country, but it cannot deviate from these principles . . . ." The Kremlin, in short, considers all socialist gains irreversible and "defends" that status quo when required by invading allied states, as rebels discovered in the German Democratic Republic (1953), Hungary (1956), Czechoslovakia (1968), and Afghanistan (1979 to present).11/

Low-priority tasks fit four categories: mainly conventional conflicts limit special operations by definition; direct involvement of Soviet SOF in transnational terrorism is nearly nil; political, economic, and social reform to strengthen popular support of foreign regimes never has been a Soviet objective; Soviet doctrine reduces interest in, and needs for, unit exfiltration.

U.S. INCONSISTENCY

U.S priorities overlook a large slice of the conflict spectrum, and in any case are inconsistent. Figures 1 and 2 reflect the mid-1980s, when military special operations, unpopular after the Vietnam War, reached a periodic peak. Central Intelligence Agency and its covert activities are still in a trough.

Peacetime psyop to support U.S. strategies is low priority, compared with focused Soviet efforts, despite increased emphasis since President Reagan took office. Theater and tactical applications, often afterthoughts, are usually slighted.12/ This nation is not innocent of subversion--actions in Iran (1953),

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* Section 1, Annex A relates special operations to cold war, as well as low-, medium-, and high-intensity conflicts. Section 2 explains tasks and skills.

Guatemala (1954), Cuba (early 1960s), and Chile (1970-73) are among those most often cited--but the priority, which never was high, has been exceedingly low since Congress tightened control.13/

The Reagan Doctrine, freely interpreted to mean "the enemy of my enemy is my friend," fosters military and economic assistance on a modest scale for anti-communist insurgencies and resistance movements. Priority for such support, however, is much higher in principle than in practice, and few advocate more active U.S. participation.14/ America's decisionmakers exclude domestic and transnational terrorism, despite Soviet contentions to the contrary,15/ and legally proscribe political assassinations which, directly or indirectly, they condoned in decades past.*16/ AirLand Battle doctrine pays lip service to SOF intelligence, direct action, deception, and psyop missions,17/ but the Department of Defense as a general rule slights special operations during mid- and high-intensity conflicts.

Counterinsurgency, which fell from favor after the Vietnam War, is enjoying a revival in parts of the Executive Branch, but congressional inhibitions and preconditions proposed by the Secretary of Defense severely limit active U.S. combat involvement.18/ Counterterrorism has been a matter of importance since former Secretary of State Alexander M. Haig, in his first news conference, branded transnational terrorism as "the ultimate abuse of human rights." George P. Shultz, his successor, declared that "democracies must . . . tackle this menacing problem or else they will not be in much of a position to tackle other kinds of problems." President Reagan refers to "atrocities which have shocked the conscience of the world." Defense Secretary Caspar Weinberger and the Joint Chiefs of Staff, however, seem less enthusiastic when it comes to military countermeasures.19/

Uncertain priorities provide a shaky platform for U.S. special operations planners, who cannot be sure which view will prevail. It is also difficult to select personnel and train units, when the popularity of roles changes rapidly. The purpose of Army Special Forces, for example, has switched from direct action to civic action and amorphous middle grounds since the first group was activated in 1952.20/ Every U.S. special operations component experiences similar problems.21/

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* U.S. efforts to assassinate Castro backfired. U.S. officials were privy to plots that caused violent deaths of Lumumba (Congo), Trujillo (Dominican Republic), Schneider (Chile), and Diem (Vietnam).22/

Figure 1

U.S. AND SOVIET SPECIAL OPERATIONS PRIORITIES
RELATED TO CONFLICT INTENSITIES 1/
1986
(Author Judgements)

	U.S. PRIORITIES	SOVIET PRIORITIES
Cold War 2/	Low	High
Low Intensity 2/		
Insurgency, Resistance 3/	Medium	High
Counterinsurgency 3/ 4/	Medium	High
Transnational Terrorism 5/	NA	Moderate
Counterterrorism	High	High
Mainly Conventional	Low	Low
Medium-Intensity	Low	High
High Intensity	Low	High

1/ See Figure 15, Annex A for special operations related to the conflict spectrum.

2/ Priorities indicate politico-military interest, not the extent of activities nor their type. They are not determined by SOF.

3/ The Reagan Doctrine in principle supports the U.S. priority shown. A residual "Vietnam syndrome" produces a very low priority in practice.

4/ U.S. and Soviet special operations take precedence during Phase I insurgencies (underground activities). Conventional military power tends to predominate during Phase II (which adds guerrilla warfare) and even more during Phase III (which adds larger-scale armed combat).

5/ The United States neither instigates nor supports terrorism, as defined in this document.

Figure 2

U.S. AND SOVIET SPECIAL OPERATIONS PRIORITIES RELATED TO TASKS

(Author Judgements)

	U.S. PRIORITIES	SOVIET PRIORITIES
Direct Action		
Assassination 1/, 2/	NA	High
Abduction	NA	Low
Hostage Taking 2/	NA	Low
Random Killing & Maiming 2/	NA	Low
Sabotage	High	High
Capture 3/	High	High
Termination 4/	High	High
Ambushes	High	High
Raids	High	High
Rescue		
Hostages	High	Low
Military POWs 5/	Low	Low
Indirect Action		
Subversion	Low	High
Psychological Operations	Low	High
Military Assistance 6/	Moderate	Moderate
Economic Assistance 6/	Moderate	Moderate
Reform	Moderate	Low
Intelligence 7/		
Unique Reconnaissance	Moderate	Moderate
Unique Surveillance	Moderate	Moderate
Target Acquisition		
Key Personnel	Low	High
Critical Weapons	Low	Moderate
Survival		
Infiltration		
Peacetime	Low	High
Wartime	High	High
Exfiltration (Wartime)		
Preplanned	High	Low
Search & Rescue	High	Low
Escape & Evasion	High	Low
Site Security	High	High
Public Education	Low	High

1/ U.S. SOF are forbidden to assassinate in peacetime. The high Soviet priority applies only to wartime operations.

2/ Both superpowers back associates that sometimes employ tactics shown, but the United States disapproves in principle.

3/ Legal steps seize individuals or groups engaged in illegal and/or warlike activities.

4/ Legal steps to kill individuals or groups engaged in illegal and/or warlike activities.

5/ U.S. attempts to retrieve MIAs from Southeast Asia are diplomatic, rather than SOF rescue operations.

6/ Security assistance primarily to recipients engaged in insurgencies, resistance, transnational terrorism, or countering such threats.

7/ HUMINT by individuals and groups other than those engaged in full-[illegible] espionage.

Chapter 2

COMPARATIVE ESTABLISHMENTS

The Soviets possess a large, diversified special operations establishment that is relatively simple and synchronized. The U.S. counterpart, small by comparison and less comprehensive in purpose, is complex and loosely linked.

HIGH COMMAND AND CONTROL

It would be hard to devise two more different special operations command and control structures than those of the United States and Soviet Union.* The former is fragmented. The latter features single management of three closely connected components.

SOVIET CENTRALIZATION

"The leading and guiding force . . . of all state organizations . . . is the Communist Party of the Soviet Union," according to Article 6 of the Soviet Constitution (Figure 3).1/ Party leaders, who also hold key governmental posts, are in total control at the top. The Politburo and Central Committee set priorities, shape or approve policy for, direct, and supervise the Committee for State Security (KGB), the Ministry of Internal Affairs (MVD), and Ministry of Defense (MOD), which plan and implement special operations. Several Central Committee departments control strategic psyop.

KGB, which performs by far the greatest assortment of special operations tasks, also influences and oversees MVD and MOD activities (Figure 4).** Its First Chief Directorate conducts so-called "active measures" abroad in "peacetime," with particular attention to subversion and disinformation; infiltrates individual agents and teams into hostile territory for special missions that include target acquisition and sabotage; administers economic assistance to selected insurgents and Soviet associates embattled by resistance movements or counterrevolutionaries; and arranges "wet affairs" (assassinations) whenever required.3/

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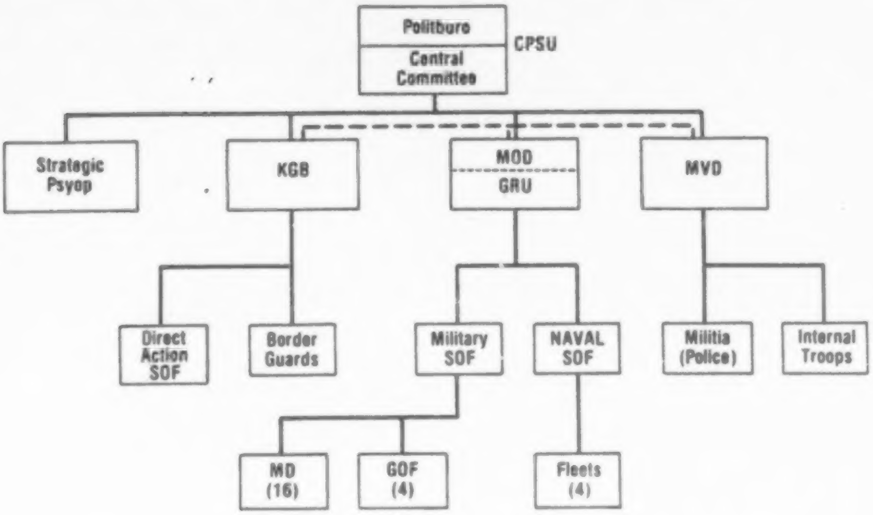
* Section 3A, Annex A outlines some characteristics of centralized and decentralized control.

** Espionage, a basic KGB function, is beyond the scope of this report.

Figure 3

SOVIET SPECIAL OPERATIONS HIGH COMMAND


Politburo
Central Committee
CPSU
Strategic Psyop
KGB
MOD
GRU
MVD
Direct Action SOF
Border Guards
Military SOF
NAVAL SOF
Militia (Police)
Internal Troops
MD (16)
GOF (4)
Fleets (4)

LEGEND

——— Command Forces
– – – KGB Influence (not depicted below MOD and MVD headquarters, but permeates to regimental and ship level)

CPSU	Communist Party of the Soviet Union	MD	Military District
GOF	Group of Forces	MOD	Ministry of Defense
GRU	Intelligence Directorate, General Staff	MVD	Ministry of Interior
KGB	Committee for State Security	SOF	Special Operations Forces

NOTE: MD and GOF become fronts under three theaters in wartime.

Figure 4

SOVIET HIGH COMMAND RELATED TO
SPECIAL OPERATIONS TASKS
(Author Judgements)

	KGB	MVD	MOD
Direct Action			
Assassination 1/	x		x
Abduction 1/	x		x
Hostage Taking 1/	x	x	
Random Killing & Maiming 1/	x	x	
Sabotage	x		x
Capture	x	x	x
Termination	x	x	x
Ambushes 2/	x	x	x
Raids 2/	x	x	x
Rescue			
Hostages	x	x	
Military POWs			x
Indirect Action			
Subversion	x		x
Psychological Operations	x		x
Military Assistance 3/	x		x
Economic Assistance	x		
Reform	NA	NA	NA
Intelligence			
Unique Reconnaissance	x		x
Unique Surveillance	x		x
Target Acquisition			
Key Personnel	x	x	x
Critical Weapons			x
Survival			
Infiltration			
Sleepers	x		x
Other	x		x
Exfiltration 4/			
Preplanned	x		x
Search & Rescue 5/	x		x
Escape & Evasion	x		x
Security			
Personnel	x		
Installations	x	x	
Population Control	x	x	
Armed Forces Control	x		
Border Control	x		
Communications Control	x		
Rear Area Security		x	x
Convoy Security	x	x	
Public Education	x		

1/ Rarely employed transnationally by Soviet SOF in "peacetime," but the Soviets support de facto proxies who routinely undertake such tasks. High priority tasks in wartime.

2/ Military and paramilitary only; includes KGB Border Guards and MVD Internal Security troops.

3/ Includes training for terrorists.

4/ Exfiltration is an infrequent operation. Mainly individuals, except for MOD units.

5/ KGB search and rescue is by Border Guards.

Other KGB directorates, which specialize in counterintelligence, seek out and stifle potential sources of opposition at home. Civilians (especially ethnic minorities, who make up half of the population), members of the armed services, and foreigners are subject to close and constant scrutiny. The Ninth Directorate does nothing but safeguard Party leaders and key installations, such as nuclear weapon stockpiles and critical communications. KGB Border Guards patrol Soviet frontiers to keep inhabitants in and intruders out.4/ The Ministry of Defense is responsible for military special operations. The Intelligence Directorate (GRU) of its General Staff recruits, organizes, equips, and trains agents and units that serve 3 theaters, 16 Military Districts (MD), 4 Groups of Forces (GOF) in peacetime (fronts in war), and all four fleets. Whether GRU, like the KGB, exercises central control is unclear (only one unclassified source--Viktor Suvorov--is flatly affirmative), but the MD and GOF, better able to coordinate nuclear, chemical, biological, conventional, and special operations, probably take charge. The Tenth General Staff Directorate handles military assistance.5/

The MVD supplements KGB and MOD counterterror/counterinsurgency capabilities on home territory. Its ubiquitous militia, a national police force, is concerned essentially with internal security. Paramilitary troops, similar to, but less elite than, KGB Border Guards, provide a backup. They also perform prosaic peacetime tasks, such as convoy and labor camp safekeeping. Rear area defense against guerrillas, saboteurs, and assassins is a salient wartime duty. Some regiments, however, are trained and equipped for offensive operations. NKVD, the MVD predecessor, followed Soviet advances outside the homeland late in World War II; MVD formations helped suppress Czech rebels in 1968.6/

Soviet special operations high command lines, taken in toto, are neither as centralized nor quite as clean as Figure 3 suggests. Serious rivalry sometimes is evident. Nevertheless, they are simple compared with the U.S. apparatus. Deliberate interlocks and overlaps to ensure that all tasks are well covered degrade efficiency to some degree, but not effectiveness.

U.S. DECENTRALIZATION

Decentralization dominates the top-heavy U.S. special operations structure. The President, assisted by the National Security Council (NSC) and other advisers, exerts chief executive powers. Congress, which controls force authorizations and funds, also initiates, approves, or precludes legislative change and oversees sensitive activities (Figure 5). Nine committees participate directly in that process: Armed Services (2), Appropriations (2), Select Committees on Intelligence (2), Senate Judiciary (Subcommittee on Security and Terrorism), Senate Foreign Relations, and House Foreign Affairs. High command arrangements currently are an important concern.7/ Covert/clandestine programs attract continuing attention.

Six federal departments, three agencies, and the Board for International Broadcasting (BIB), plus state and local structures, share U.S. special operations responsibilities (Figure 6)--three times the equivalent Soviet number. The State Department helps shape policy. The Department of Defense (DOD) deploys all military SOF. Central

Intelligence Agency (CIA) is the parent organization of all civilian SOF that conduct covert and clandestine "special activities" overseas.8/ Justice, Treasury, Transportation, Energy, and state/local law enforcement units subdivide internal defense of the United States (counterterrorism, counterinsurgency). U.S. Information Agency and the Agency for International Development are respectively occupied with public aspects of psychological operations and economic assistance. No national center connects the lot.9/

Divisiveness also is evident at the next lower level. There are 10 U.S. participants compared with 6 Soviet, not counting individual psyop elements, whose Soviet equivalents do not show on Figure 3. The Secret Service (Treasury) and U.S. Marshals Service (Justice) safeguard senior U.S. officials. The Federal Bureau of Investigation (FBI) and Border Patrol (both Justice), together with the Coast Guard and Federal Aviation Administration (both Transportation), include counterterrorism in their charters. No homegrown group has seriously tried to overthrow the U.S. Government by force since the Weatherman faction and Black Panthers announced that intent nearly two decades ago,10/ but federal SOF of all sorts might have to supplement police and the National Guard, if a serious insurgency ever developed.

The U.S. Army, Navy, and Air Force maintained separate special operations establishments through most of 1986. Each dealt directly with the Secretary of Defense, represented by a Deputy Assistant Secretary, and with the Joint Chiefs of Staff (JCS), whose Chairman gets staff support from a small Joint Special Operations Agency (JSOA). Each service allocated SOF to five area-oriented unified commands as directed (European Command, Pacific Command, Central Command, Southern Command, Atlantic Command). They also fed Joint Special Operations Command (JSOC), which reported to the Secretary of Defense through the JCS.11/

Central control began to replace that loose arrangement in October 1986, when Congress amended Title 10, United States Code. The new law directs the Secretary of Defense to create for SOF a "major force program category [within DOD's] Five-Year Defense Plan." It also designates an Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict, whose principal duty is "overall supervision" of those fields, particularly policy formulation, program recommendations, and budgetary proposals.12/

A unified combatant command that includes all active and reserve SOF in the United States is to be "implemented" not-later-than April 1987, 180 days after President Reagan signed H.Res. 738. Its four-star commander "shall be responsible for, and shall have authority to conduct, all affairs of such command," which prepares subordinate forces "to carry out assigned missions." Priorities, concepts, SOF-peculiar force development, and readiness are particularly important. He monitors SOF personnel management by U.S. military services, advises the Assistant Secretary of Defense about budgetary matters, reviews the capabilities of SOF overseas, and may undertake "a selected special operations mission if directed to do so by the President or Secretary of Defense." Most SOF employment, however, remains the responsibility of geographically-oriented unified commands overseas.13/ Whether the infant Special Operations Command, as it is called, will work well or be largely symbolic depends on the competence of its commander (who must be a well-

Figure 5

U.S. SPECIAL OPERATIONS HIGH COMMAND

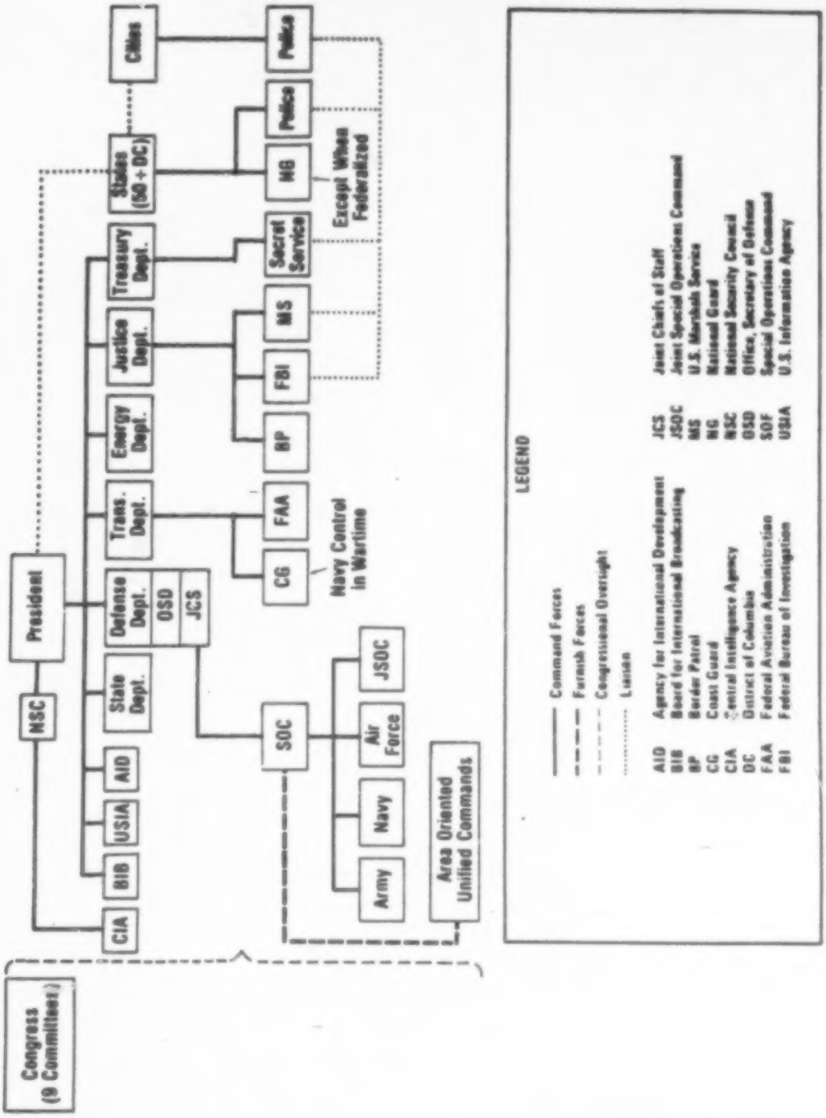

Congress (9 Committees)
NSC
President
CIA
BIB
USIA
AID
State Dept.
Defense Dept.
OSD
JCS
Trans. Dept.
Energy Dept.
Justice Dept.
Treasury Dept.
States (50 + DC)
Cities
SOC
Army
Navy
Air Force
JSOC
Area Oriented Unified Commands
CG
FAA
Navy Control in Wartime
BP
FBI
MS
Secret Service
NG
Police
Police
Except When Federalized
LEGEND
Command Forces
Furnish Forces
Congressional Oversight
Liaison
AID Agency for International Development
BIB Board for International Broadcasting
BP Border Patrol
CG Coast Guard
CIA Central Intelligence Agency
DC District of Columbia
FAA Federal Aviation Administration
FBI Federal Bureau of Investigation
JCS Joint Chiefs of Staff
JSOC Joint Special Operations Command
MS U.S. Marshals Service
NG National Guard
NSC National Security Council
OSD Office, Secretary of Defense
SOF Special Operations Command
USIA U.S. Information Agency

Figure 6

U.S. HIGH COMMAND RELATED TO SPECIAL OPERATIONS TASKS
(Author Judgements)

	FEDERAL 1/									STATE	LOCAL
	STATE DEPT	USIA	AID	DOD 2/	DOT 3/	DOE 4/	JUSTICE DEPT 5/	TREASURY DEPT 6/	CIA 7/		
Direct Action 8/											
Sabotage	—	—	—	x	—	—	—	—	x		
Capture	—	—	—	x	—	—	x	x	x	x	x
Termination	—	—	—	x	—	—	x	x	x	x	x
Ambushes 9/	—	—	—	x	—	—	—	—	x		
Raids 9/	—	—	—	x	—	—	—	—	x		
Rescue											
Hostages	—	—	—	x	—	—	x	—	—	x	x
Military POWs	—	—	—	x							
Indirect Action											
Subversion	x	—	—	x	—	—	—	—	x		
Psychological Operations 10/	x	x	—	x	—	—	—	—	x		
Military Assistance	—	—	—	x	—	—	—	—	x		
Economic Assistance	x	—	x								
Reform	x	—	—	x	—	—	—	—	x		
Intelligence											
Unique Reconnaissance	—	—	—	x	—	—	x	x	x		
Unique Surveillance	—	—	—	x	—	—	x	x	x		
Target Acquisition											
Key Personnel	—	—	—	x	—	—	x	x	x		
Critical Weapons	—	—	—	x							
Survival											
Infiltration 11/	—	—	—	x	—	—	x	—	x	—	x
Exfiltration											
Preplanned	—	—	—	x	—	—	—	—	x		
Search & Rescue	—	—	—	x							
Escape & Evasion	—	—	—	x	—	—	—	—	x		
Security											
Personnel 12/	—	—	—	—	—	—	—	x	—	x	x
Installations 12/	—	—	—	x	—	x					
Civil Aircraft	—	—	—	—	x	—	x	—	—	—	x
Border Control	—	—	—	—	x	—	x	—	—	x	x
Rear Area Security	—	—	—	x	—	—	x	x	—	x	x
Public Education	x	x	—	x	—	—	x	—	—	—	x

1/ Congressional oversight, not shown, covers federal policies, programs, budgets, and employment, with particular attention to covert/clandestine operations.

2/ DOD conducts special operations outside the USA, with rare exceptions.

3/ DOT is Department of Transportation

4/ DOE is Department of Energy.

5/ FBI, Border Patrol, and U.S. Marshals Service jurisdictions are within the USA.

6/ Secret Service operates in the USA and elsewhere, as directed.

7/ CIA jurisdiction is outside the USA, with rare exceptions.

8/ Excludes political assassination, which is illegal; also political abduction and terrorist acts listed on Figure 2, because of official and public disapproval.

9/ Military and paramilitary only.

10/ Excludes Radio Free Europe and Radio Liberty, which ostensibly are unofficial organizations.

11/ Includes infiltration of subversive and terrorist groups.

12/ Excludes commercial security organizations.

well-qualified organizer and administrator, as well as a special operations specialist), the staff he picks, support from superiors, and cooperation from peers. Joint doctrine, strategies, tactics, plans, and programs, tested by joint training and operations, must precede meaningful progress.

The new law also specifies a Board for Low-Intensity Conflict within the National Security Council. Its purpose is to "coordinate" related U.S. policies, but neither that board nor any existing substitute possesses powers to issue interdepartmental/interagency guidance and compel compliance, unless the President, in accord with "the sense of Congress," names a Deputy Assistant for National Security Affairs to handle such matters in the NSC and vests him with sufficient clout.14/ The U.S. special operations apparatus therefore still fosters jurisdictional disputes that appear more serious and widespread than those on the Soviet side, where policymaking and implementation are less fractionated.

FORCE POSTURES

Open source literature about Soviet special operations forces is lean. The personnel strengths, organization, arms, equipment, disposition, and effectiveness of U.S. counterparts are publicly displayed, except for JSOC. America's military and civilian non-SOF organizations routinely handle some special operations, such as economic assistance and installation security. This section concentrates exclusively on SOF.*

SOVIET SIMPLICITY

Soviet Voyska Spetsial'nogo Naznacheniya, a mixed bag of military and civilian SOF, commonly are called Spetsnaz. KGB forces probably emphasize political missions, while the GRU features war fighting, but boundaries are blurred and overlaps are common.15/ Psyop is a separate category.

Internal Security SOF

Homeland defense forces, illustrated in Figure 7, are by far the most numerous. There are no reliable organizational charts or counts of police and quasi-civilian officials whose full-time occupation is population control, rather than traditional law enforcement, but KGB Border Guards (230,000) and MVD Security Troops (360,000) both are larger than the active U.S. Marine Corps (199,000). Taken together, they total three-fourths the size of our Army (781,000). Border Guards boast regimental-sized and smaller paramilitary formations, replete with armored vehicles, artillery, light aircraft, and coastal ships. About 30 MVD divisions, organized and armed much like motor rifle divisions, have been identified.16/

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* Section 3, Annex A discusses SOF characteristics, accouterments, and support requirements in generic terms.

Offensive Spetsnaz

Vital statistics concerning Soviet offensive SOF are even scarcer and less reliable. How many KGB and GRU operatives (excluding traditional espionage agents) ply their trade in foreign countries is an open question. U.S. authorities, however, generally agree that many deep cover "sleepers," positioned during peacetime in prospective operational areas, lead apparently normal lives waiting to be "awakened" by some signal. They then are expected to perform predesignated tasks, such as assassination and sabotage, or act as pathfinders for other special operations forces.17/ Proxies supplement or replace Soviet citizens, when conditions for doing so are favorable. Training centers, including those the KGB and GRU support in satellite states, open such options.18/

Large military Spetsnaz organizations are slightly more visible. U.S. analysts must speculate to some extent about their structure, size, and activities, but new units reportedly are being created and others are being enlarged. Figure 8, derived from data Viktor Suvorov furnished, is incompletely confirmed. He counts 3 Spetsnaz sabotage regiments (one each for Western, South Western, and Far Eastern Theaters), 24 diversionary brigades (one each for 16 military districts, 4 groups of forces, and 4 fleets), a separate company for each of 40-some armies,and GRU intelligence/direct action agents. Surorov estimates the total is 30,000 or more active personnel at full strength. Major formations may function intact, but allegedly are equipped to form small teams for sabotage or other "surgical" missions. The maximum number is about 135 teams per brigade and 15 per separate company. Realistic training includes practice with mockups of U.S. and allied weapons and installations.19/

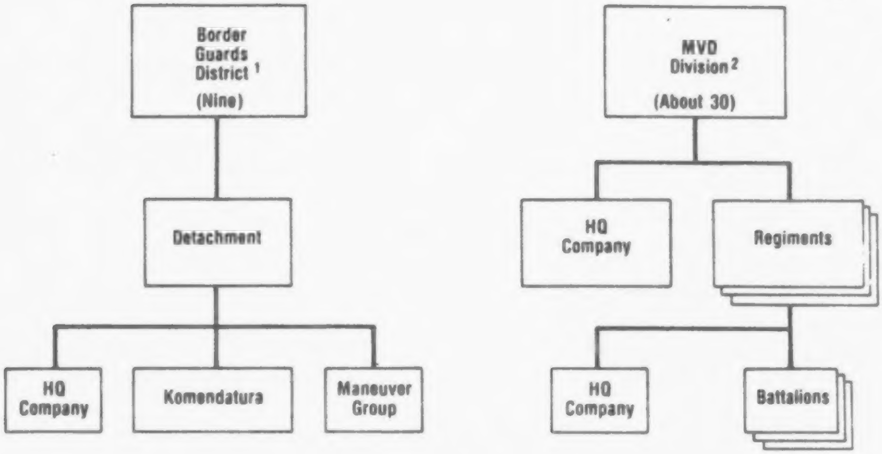
Those oft-repeated postulations20/ engender false impressions, and some assertions are shaky. Accurate tallies are difficult to compile, because Spetsnaz units, like chameleons, change color to suit circumstances. Members, who have dedicated training facilities, but no cantonments, uniforms, or insignia of their own, take on the guise of other troops.21/ No theater commands now exist; 10 continental and 4 oceanic subdivisions apparently provide the focus for plans and force development.22/ Whether interior MDs maintain a Spetsnaz brigade apiece is debatable. Designations also mislead. Brigades and regiments, for example, are equivalent in size to U.S. battalions, if estimated manning authorizations are authentic. Spetsnaz naval brigades may be somewhat smaller; some observers believe platoon or company would be a better description. (DIA counts 24 brigades, total active wartime strength 12,000, not 30,000, plus 40,000 reservists with various degrees of proficiency.)23/

Strategic Psyop

Soviet strategic psyop programs at home and abroad are pervasive. Publications and telecommunications all parrot the Communist Party line: two newspapers (Pravda, Izvestia), Tass news service, two periodicals (New Times, International Affairs), Novosti Press, and Radio Moscow constantly trumpet open propaganda. KGB covert and clandestine instruments augment those of the Central Committee.24/ Foreign communist parties, other leftwing factions loyal to Moscow, and unwitting fellow

Figure 7

KGB BORDER GUARDS AND MVD SECURITY TROOPS


Border Guards District 1
(Nine)
Detachment
HQ Company
Komendatura
Maneuver Group
MVD Division 2
(About 30)
HQ Company
Regiments
HQ Company
Battalions

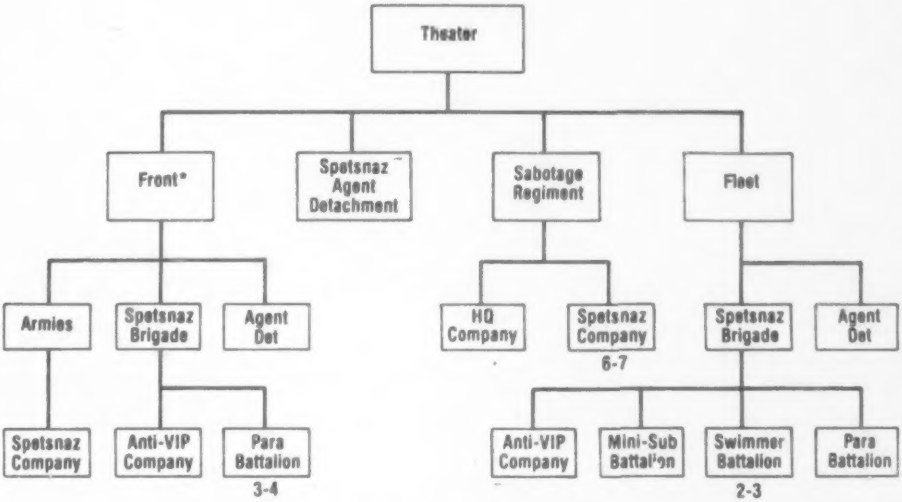
1/ KGB Border Guard districts vary in size and composition according to the population, topography, and other factors in each operational area. Average strength is 25,000-30,000. Each district usually controls several detachments roughly equivalent in size to a regiment. Each detachment usually controls several komendatura roughly equivalent in size to a battalion, plus a company-sized maneuver group that amounts to mobile reserves. Each komendatura posts and patrols a particular land or coastal sector.

2/ MVD divisions are similar to, but lighter than, Soviet motor rifle divisions. Three regiments per division and 3 battalions per regiment appear to be typical.

Figure 8

SOVIET MILITARY AND NAVAL SPETSNAZ

Derived from Suvorov


Theater
Front*
Spetsnaz Agent Detachment
Sabotage Regiment
Fleet
Armies
Spetsnaz Brigade
Agent Det
HQ Company
Spetsnaz Company
6-7
Spetsnaz Brigade
Agent Det
Spetsnaz Company
Anti-VIP Company
Para Battalion
3-4
Anti-VIP Company
Mini-Sub Battal'on
Swimmer Battalion
2-3
Para Battalion

	SPETSNAZ			
	Sabotage Regiments**	Brigades	Separate Companies	Agent Detachments
Supported Forces				
Theaters (3)	3			3
Fronts (20)*				
MD (16)		16		16
GOF (4)		4		4
Fleets (4)		4		4
Armies (4)			41	
Spetsnaz Forces				
Unit Total	3	24	41	27
Personnel				
Each Unit	700-800	1000-1300	115	
MD, GOF,				80-110
Fleets				20-30
Subtotal	2100-2400	24,000-31,000	1715	1680-2320
Grand Total		29,495 – 37,435		

Det	Detachment
GOF	Group of Forces
Hq	Headquarters
MD	Military District
Para	Parachute
VIP	Very Important Persons

* Military Districts and Groups of Forces become fronts in war.

** Not explicitly identified by Viktor Suvorov travellers facilitate Soviet psyop endeavors around the globe. Fronts, such as the World Peace Council (about 140 branches), the World Federation of Trade Unions (which claims 200 million members), and the International Organization of Journalists are among the most prominent psyop aids, according to most reports.25/

Soviet military psyop remains a mystery. Unclassified sources mention no specialized units, which may be administered at many levels by Deputy Political Officers (Zampolit).

Capsulized Appraisal

Soviet special operations structure is comparatively simple. Most SOF, including those for security purposes, share materiel and some tactics with conventional ground and coastal defense forces. Sophisticated devices are available for covert/clandestine surveillance, communications, killing, and "dirty tricks,"26/ but specialized and expensive delivery vehicles for surreptitious infiltration, such as mini-submarines able to "walk" on harbor bottoms, are rare. Most agents and units emphasize skillful techniques, instead of hardware. Exfiltration by land force teams seems to be low priority; most apparently are expected to disperse and fend for themselves, after accomplishing missions.27/

Offensive Spetsnaz are designed primarily for reconnaissance and direct action missions during mid- to high-intensity conflicts. Preparations apparently concentrate very little on tasks that call for a lighter touch, as unimpressive performance in Afghanistan seems to confirm.28/

The quality of Soviet SOF, deployed in such great quantities, inevitably is uneven. Not all are equally elite or well trained. The KGB and GRU, which divide some responsibilities, sometimes seem to work at cross purposes. "Sleepers" cannot be left alone indefinitely, but long-term relationships with "handlers," who must reconfirm their reliability, are difficult to maintain without arousing rival suspicions. Assorted exploits and scenarios nevertheless suggest that high-class assets are numerous enough to pose serious threats about the globe and discourage dissidence at home.29/

U.S. COMPLEXITY

The U.S. system, which parcels out special operations to SOF in several coequal and sometimes competitive organizations, is highly complex. Some components are unable to accomplish assigned tasks without assistance from, or collaboration by, forces from other compartments. Employment concepts put a premium on expensive technology.

Internal Security SOF

There is no U.S. equivalent of the massive internal security apparatus that Soviet leaders deploy to keep the lid on domestic dissidence, subversion, insurgency, and/or transnational terrorism. Only four U.S. elements devote full-time to those defensive special operations tasks: about 40 percent of the FBI, including its hostage rescue team;30/ 60 percent of the Secret Service (the remainder covers counterfeiting);31/ anti-skyjacking air marshals that belong to FAA;32/ and, if so directed, DOD's JSOC, which concentrates on counterterrorism. Some or all such missions occasionally occupy small parts of the U.S. Coast Guard,33/ Border Patrol, Marshals Service, and state/local law enforcement units, such as special weapons and tactics (SWAT) teams. The National Guard, under state or federal control, could help suppress insurrections, but has not been needed for that purpose since the Civil War. Altercations such as Little Rock school integration (1957) and Kent State riot control (1970) were not attempts to overthrow the U.S. Government.34/

CIA SOF

Most CIA SOF are civilians, who mingle with selected military personnel on loan from U.S. armed services. Total numbers are classified, but certainly small, because they conduct covert special activities individually or rely extensively on foreign resources (such as tribes in Laos and Vietnam) for large-scale operations, according to accounts by advocates and detractors alike.35/

Military SOF

U.S. military SOF bear little resemblance to those in the Soviet establishment, in terms of structure, tasks, and accouterments. Our Army maintains the largest and most versatile agglomeration. Many U.S. SOF are "switch hitters" suitable for offensive and defensive missions as required (see Figure 9).

Joint Special Operations Command

JSOC was activated at Fort Bragg, North Carolina, in 1981 to consolidate control of, help develop doctrine for, train, deploy, and employ DOD hostage rescue and other counterterror elements. Purposes reportedly have expanded since then to encompass additional direct action missions that require rare skills. Open publications, which the Pentagon does not confirm or deny,* indicate that principal components include the Army's Delta Force and parts of the 160th Aviation Group, especially superspecialized helicopter elements nicknamed the "Night Stalkers"), plus sea-air-land (SEAL) Team 6. Elements of the 2d Air Division assist as required. JSOC enjoys high priority for equipment and personnel, which approximate 1,000 highly-trained specialists.36/

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* The standard Pentagon response to questions about JSOC is: "The U.S. Government has trained forces and equipment from all four services to cope with terrorist incidents. We have also said that command and control elements for these forces exist and have been exercised. These elements report to the Joint Chiefs of Staff, as do other command and control elements for military operations. We do not want to comment further on any details concerning the circumstances under which these forces may be deployed, their identity, or tactics."

Figure 9

U.S. MILITARY SOF COMPARED
(Author Judgements)

	ARMY						NAVY				AIR FORCE		MARINE
	Delta	160th Avn Gp	Special Forces	Rangers	Psyop	Civil Affairs	SEAL Team 6	Other SEALS	Special Boats	Special Helos	Special Airlift	Gunships	MAU (SOC)
Specialization 1/													
Greatest 2/	X	X			X		X	X	X	X	X		
Least				X		X							X
Warfare Focus 3/													
UW			X		X	X		X	X	X	X	P	
FID			X		X	X		X	X	X	X	P	
Counterterrorism	X	X			X	X	X		X	X	X		
Other Low-Intensity		X	X	X	X	X		X	X	X	X	X	X
Mid- High-Intensity		X	X	X	X	X		X	X	X	X		X
Priority Tasks 3/													
Raids, Ambushes 4/			X	X				X					X
Sabotage 4/			X					X					
Barricade Operations	X						X						
Hostage Rescue	X						X						
Subversion			X		X			X					
Other Psyop					X								
Military Assistance			X					X					X
Civic Action			X			X							X
Fire Support		X						[illegible]	X	X		X	
Transportation 5/													
Strategic									X		X		
Tactical		X							X	X	X		
Unique Reconnaissance	X	X	X				X	X					
Evasion and Escape			X					X	X	X	X		
Search and Rescue									X	X	X		
C3 Airborne Relay											X		

1/ Specialization is compared to other SOF. SEALs are more specialized, but less versatile, than Army Special Forces, because their normal area of operation is confined to coasts and inland waterways.

2/ Greatest aircraft specialization applies only to those intended for low-level clandestine flights while blacked out.

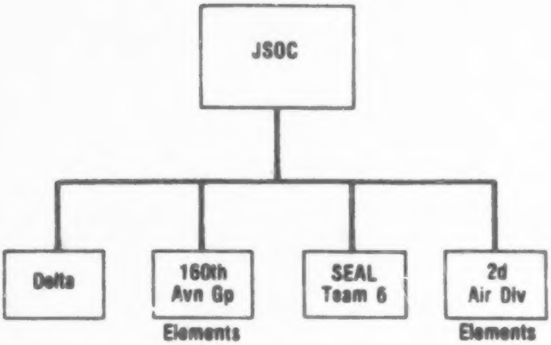
3/ Indicates primary emphasis for forces that have additional utility. "P" is permissive environment only.

4/ Army Special Forces can conduct strike and sabotage missions, but primarily teach those subjects to indigenous forces.

5/ Submarines may be strategic (intertheater) or tactical (intratheater) transportation.

ABBREVIATIONS

Avn	Aviation
C^3	Command, Control, Communications
FID	Foreign Internal Defense
Gp	Group
MAU	Marine Amphibious Unit
(SOC)	(Special Operations Capable)
TF	Task Force
[illegible]	[illegible]



JSOC originally reported directly to the Joint Chiefs of Staff. By law, it now is subsumed in the unified command for special operations. Its designation probably will change to avoid confusion.

Army SOF

1st Special Operations command (SOCOM), activated at Fort Bragg, NC, on October 6, 1983, is a major subordinate element of U.S. Army Forces Command (FORSCOM).* It comprises an organizational umbrella for active Army SOF in the United States, except those under JSOC jurisdiction. The current contingent includes 4 Special Forces groups, a Ranger regiment, an aviation group (battalion size), a psychological warfare group,** and civil affairs battalion (See Figure 10 at the end of this chapter). SOCOM also provides a rotation base for SOF personnel and units overseas, which come under operational control of unified commands where they are temporarily or permanently deployed. Army Reserve (USAR) SOF receive training policy and guidance directly from FORSCOM, which relays instructions to Army National Guard (ARNG) SOF through state Adjutants General.37/

Special Forces. There is no Soviet counterpart of U.S. Army Special forces (SF), which lack sufficient firepower for shock action, staying power for sustained combat, and mobility for use as maneuver units.

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* U.S. Army Training and Doctrine Command (TRADOC) retains control of the John F. Kennedy Special Warfare Center at Fort Bragg, NC, which is part of its school system.

** The DOD Psyop Master Plan, approved by the Secretary of Defense, will separate the 4th Psyop Group from 1st SOCOM at some unspecified date.

Deactivation late in the Vietnam War reduced active SF groups from 7 to 3 between 1969 and 1974, and left the residue substantially understrength. Rebuilding restored one in 1984, by stripping an A Detachment from each company in the three active groups; another will be reborn in 1990-91. All 5 are (or will be) stationed in the United States, but 3 subordinate battalions and 2 separate SF detachments are permanently deployed abroad.38/

Each group prepares for operations in a particular geographic region. The 1st SF orients on East Asia and the Pacific. The 5th covers Southwest Asia and Northeast Africa. The 3d SF Group (still on paper) will assume planning responsibilities for sub-Saharan Africa. The 7th and 10th Groups look toward Latin America and Europe/Mediterranean Africa respectively. Two reserve component groups concentrate on Europe, another pair on the Pacific.39/

Every SF group at full strength possesses capabilities to establish a Special Forces Operating Base (SFOB) and two or more satellites, called Forward Operating Bases (FOB), assisted by company and battalion headquarters, known as B and C detachments.40/ Cross-trained experts in each 12-man A detachment (54 per group at full strength) excel at five fundamental pursuits: light weapons; demolitions; field communications; combat intelligence; and paramedical support.41/ Personnel consequently are proficient at raids, ambushes, and sabotage, but employing Green Berets for such purposes when suitable alternatives are available wastes their special talent, which is to develop, organize, equip, train, and direct indigenous military and paramilitary forces in unconventional warfare (UW) and foreign internal defense (FID). UW assists selected insurgents and resistance movements, with particular attention to subversion, other underground/auxiliary activities, and guerrilla tactics. FID assists friends with counterinsurgency efforts, including military assistance and civic action. Unique reconnaissance and intelligence skills are essential in both instances. So is escape and evasion (E&E).42/

"Force multiplication," rather than direct force application, in short, is the Special Forces forte.43/ Units can perform such functions as an adjunct to nuclear, chemical, and conventional operations during mid- and high-intensity combat, but their primary purpose is low-intensity conflict of types just described.

Rangers. U.S. Army rolls list one Ranger regiment, an elite light infantry organization with three subordinate battalions (strength 575 each). All officers and men eventually will be airborne-ranger qualified, if plans reach fruition. Three teams in the regimental headquarters company are skilled at using self-contained underwater breathing apparatus (SCUBA), as well as high altitude high opening and high altitude low opening (HAHO, HALO) parachutes.44/

Ranger specialties are quick strike and shock action over short periods, such as raids, ambushes, interdiction, and temporary seizure operations deep in hostile territory, during high-, mid-, and low-intensity conflicts. Recovery of captured personnel and equipment is a less common Ranger task. Long-range reconnaissance patrols (LRRP), rear area security, and other passive employment fail to exploit Ranger capabilities fully. They are not trainers, but fighters whose "job is to kill people and destroy things."45/

The Ranger regiment is somewhat analogous to a Soviet Spetsnaz brigade, because it is not armed, equipped, or trained to undertake sustained combat missions in a high threat environment. Two 60mm mortar squads in each company comprise the only organic "artillery." Dragon antitank missiles and 90mm recoilless rifles afford the only defense against enemy armor and mechanized formations. Organic air defense weapons are nil. A few communications vehicles afford the only motor transportation. U.S. Rangers, however, normally commit no element smaller than a battalion and retain company integrity in combat, while Spetsnaz brigades break into many small, semi-autonomous units.46/

Psyop and Civil Affairs. Psychological operations and civil affairs (CA) have important applications across the spectrum of conflict intensity, regardless of warfare type, as Figure 9 indicates. Most U.S. military capabilities are vested in the Army, which maintains a 4-battalion psyop group and one CA battalion in its active inventory, currently collocated with and subordinate to 1st SOCOM. Reserve components account for 90 percent (9 psyop battalions and three groups; 24 CA companies and three commands; there are no CA battalions).47/

The purpose of Army psyop units, expressed simply, is to apply overt, covert, and clandestine propaganda, or provide advice and hardware for others to do so, in ways that improve U.S. and allied security postures.* Perhaps 90 percent support conventional operations; the remainder complement SOF. Psyop commonly may be more important than military action in special operations. Civilian audiences may be more important than those in uniform. Typical tasks in support of unconventional warfare (UW), for example, are to help insurgents or resistance groups strengthen their cause, encourage civil disobedience, publicize successes, and disguise or soften failures. Tasks associated with foreign internal defense (FID) conversely assist host country efforts to undercut rebel causes, enlist and consolidate approval of the incumbent regime, encourage defections from the enemy camp, and maintain a favorable U.S. image.48/

U.S. Army civil affairs units, for which the Soviets have no close analogy, facilitate civil-military cooperation between U.S. armed forces and allied governments at national and local levels, before, during, and after hostilities or other emergencies, in accord with host nation support agreements. They may also exercise executive, legislative, and judicial authority in occupied territory. Fundamental functions in any event are to identify and coordinate the acquisition of indigenous resources and facilities, such as labor, transportation, communications, supplies, and miscellaneous services; minimize civilian interference with U.S. military activities (refugee movement and crowd control are important concerns); assist military commanders in meeting legal/moral responsibilities to the populace; advise U.S. and host country authorities on civic action; and train allied counterparts.49/

Army psyop and civil affairs forces both have been historically understrength and undertrained.50/

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* Section 2E, Annex A, summarizes prerequisites for successful psyop.

Some recent progress is evident, but few U.S. planners or combatant SOF in any service appreciate their potential.

Navy SOF

Naval Special Warfare Group (NSWG) One, subordinate to the Surface Force Commander, controls Sea-Air-Land (SEAL) teams, special boat squadrons, and supporting SOF assigned to U.S. Pacific Fleet. NSWG Two performs the same function for Atlantic Fleet. Both are located in the Continental United States. Three small Naval Special Warfare Units (NSWU), in Puerto Rico, Scotland, and the Philippines, prepare for and control the operations of naval SOF when they forward deploy (See Figure 11 at the end of this chapter). Naval Reserve SOF receive guidance from the appropriate active NSWG, are generally clustered with or located near active forces, and train with them routinely.51/ About one-third, active and reserve, are dedicated SOF for joint special operations. The Navy retains tight control of the rest to support its fleets and amphibious forces.* 52/

SEALS. SEALS, like Army Special Forces, were sharply reduced after the Vietnam War, then revived. Fourteen-man platoons with two squads apiece totalled less than 20 as late as 1981. The current count of 41 platoons will reach 70 by 1990, according to Pentagon plans. Those figures are significant, because squads and platoons, rather than complete teams, undertake most SEAL missions.53/

Equipment includes bubbleless closed-circuit underwater breathing apparatus (UBA), open-circuit SCUBA, pumps, compressors, and associated diving support. Steerable parachutes, inflatable rubber raiding craft with power packs, and nonstandard ordnance are regular issue. So are secure voice manpack radios, digital coded burst communications, satellite relay transceivers, and other signal items that SEALs and Special Forces share. Individual skill requirements are extensive.54/

SEAL missions are similar to, but much more specialized than, those of Army Special Forces. Typical targets to reconnoiter and attack along coasts in support of naval operations range from shore-based weapon systems and beach defenses to harbor installations, merchant ships, and men-of-war in port. A wide variety of clandestine infiltration modes are available: submarines (large and small), high-speed surface craft, HAHO/HALO parachutes, and helicopters (surface landing, low-level free fall into water, or rappelling). Exfiltration may be overland, by sea, or by air, including "snatch pickup."** SEALs also wage riverine warfare; many, for example, fought in the Mekong Delta during the 1960s. They train naval guerrillas, but not undergrounds, and instruct allied SOF in maritime counterinsurgency/counterterrorism techniques.55/

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* Headquarters of NSWGs One and Two by law must transfer to the new unified command for special operations. What subordinate units the Navy will retain for fleet and amphibious support is not yet resolved.

** Aircraft fitted with the Fulton surface-to-air recovery system (STARS) can extract 1-2 people or 500 pounds of cargo, day or night, from land or sea while flying as fast as 140 knots.

Special Boats. A pair of former Polaris submarines and an attack submarine are being converted for special operations use, but are not yet certified. Plans to double that number eventually will provide U.S. Atlantic and Pacific fleets with three each. All have a "dry-deck" shelter that enables SEALs to load and unload with equipment while the vessel is submerged. Two SEAL Delivery Vehicle Teams (SDVT) are equipped with about 10 free-flooding, 6-man mini-submarines apiece, which larger submarines and surface ships transport to objective areas and later retrieve.56/

U.S. Atlantic and Pacific fleets each possess a special boat squadron (SBS) with a mix of units (SBUs). Coastal units rely mainly on 65-foot Spectre class fast patrol boats (PB) and Seafox, a 36-foot light special warfare craft (SWCL). The former features modular payloads that adapt to patrol, surveillance, interdiction, SEAL insertion/extraction, and fire support missions against targets ashore or afloat. Eighteen Sea Vikings, presently in late development, are prospective replacements. Fiberglass Seafox can carry 10 combat troops and accompanying equipment 200 nautical miles at speeds exceeding 30 knots. Both boats function well after dark on rough seas, have low radar cross-sections, and are quiet. Seafox also serves riverine SBUs, along with 36-foot, all-aluminum mini-armored troop carriers (MATC) and 31-foot river patrol boats (PBRs). MATCs can transport 15 troops, carry cargo, or act as weapon platforms. Like PBRs, they employ pump jet propulsion that functions well in shallow, debris-filled water. Every boat but Spectre can load aboard Navy ships or fit into Air Force C-5 aircraft (3 PBR or 2 MATC or 1 SWCL). C-141s can lift 1 SWCL.57/

Naval Air SOF. One light attack helicopter (HAL) squadron supports U.S. Atlantic Fleet SOF. Another serves the Pacific. Each UH-1 helo in gunship configuration or carrying a SEAL squad can reach out 100 NM and return. Armed infiltration/exfiltration missions over the same radius limit the load to four passengers and two door gunners. C-5 aircraft can carry 8 UH-1s. C-141s can accommodate 2 and C-130s 1, but disassembly and reassembly take many more manhours.58/

Air Force SOF

Army SOF are hitchhikers who depend wholly on the Air Force for intertheater airlift and, except for the 160th Aviation Group, most tactical air transport and heavy fire support as well. Four helicopters in each Special Forces group are mainly administrative. The Ranger Regiment has none. Navy SOF airlift is limited and entirely tactical.

U.S. Air Force SOF (See Figure 12 at the end of this chapter), like those of sister services, were slashed severely in the aftermath of Vietnam. Seven well-established squadrons disappeared, starting in 1969. There is no Soviet counterpart of remaining assets, which are assigned to 2d Air Division. They presently are a major subordinate command of Twenty-Third Air Force, Military Airlift Command (MAC), but probably will pass to the new unified command for special operations.59/

Most components are part of, and collocated with, the 1st Special Operations Wing (SOW) at Hurlburt

Field, Florida: a special ops squadron (SOS) of MC-130E Combat Talons; an AC-130H Spectre gunship squadron; an SOS with HH-53H Pave Low; a special operations combat control team (SOCCT); a weather detachment; and a photo processing/interpreting facility. One separate MC-130 squadron is forward deployed in Germany, a second in the Philippines. A UH-1N detachment is positioned in Panama. MAC scatters search and rescue (SAR) units worldwide. The Air Force Reserve (AFR) and Air National Guard (ANG), with less sophisticated but nevertheless useful aircraft, reinforce active airlift and fire support as required for peacetime training and combat operations.60/ Four Volant Solos in the ANG are the only dedicated psyop aircraft, suitable for broadcasts and leaflet drops.

Fixed Wing SOF. Combat Talon, a 1965 C-130 airframe with state-of-the-art improvements superimposed, is a versatile aircraft refuelable in flight that can undertake clandestine infiltration, exfiltration, resupply, and aerial reconnaissance missions. It can fly a high-low-high profile blacked out for 1,400 NM, with two hours at tree-top level; deliver personnel, cargo, or both onto short landing strips or small drop zones that have neither markings nor communications, then return on one tank full. Some MC-130Es come equipped for surface-to-air recovery; others can refuel helicopters aloft. Preflight planning in such stringent circumstances takes about 48 hours, to determine optimum flight paths, configure aircraft, pick crews qualified for particular tasks, and complete essential coordination at both terminals and en route.61/

There are, however, only 14 Combat Talons in MAC's inventory. The first 7 of 24 new MC-130H models are not due until 1988, the last in 1992. Inferior non-SOF forces act as augmentation in the interim. One C-141 wing and a C-130 wing presently provide 9 crews apiece that are proficient at special operations low level (SOLL II) missions blacked out. Plans call for 11 more C-141 and 16 more C-130 crews so trained by 1990 (grand total 45). Two other wings maintain crews that can contour fly under less demanding conditions (SOLL I).62/

Ten all-weather AC-130H Spectre gunships furnish aerial fire support day or night for SOF in permissive environments, where opposing air power is slight or suppressed. Each is armed with two 20mm automatic weapons, one 40mm, and a 105mm cannon. Electronic warfare and target acquisition suites include, but are not limited to, a 2KW searchlight, low light-level television, an infrared reconnaissance set, and laser target designator. Ten A-Model AFR Spectres, patterned after "Puff, the Magic Dragon" AC-47s of Vietnam War fame, are in reserve.63/

Rotary Wing SOF. HH-53H Pave Low helicopters are top-of-the-line Air Force rotary wing SOF. Missions duplicate most of those described for Combat Talon, but performance characteristics are much different. On the plus side, they are somewhat less expensive and routinely operate from locations that lack runways. Helicopter cruising speeds, however, are slower (HH-53H 140 knots, MC-130E 240; the Pave Low avionics package is optimized for 110 knots in complete darkness), and maximum unrefueled combat radius slightly exceeds 300NM at best. In-flight refueling theoretically can extend that reach indefinitely, but must be accomplished under fighter cover or in benign airspace, because HC- and MC-130 tankers cannot fly nap of the earth at night; KC-10s and KC-135s cannot serve helos at all. MAC presently possesses only eight Pave Lows. Reserve components have none. Eight active non-SOF HH-53s and eight HH-60s must take up some of the slack until 1987, when eleven HH-53 rescue helicopters will complete modification for Pave Low missions, if plans reach fruition.64/

UH-1N Hueys are multipurpose, twin-engine helicopters intended primarily for shallow infiltration, exfiltration, resupply, psyop, medical evacuation, and fire support missions within a 100-mile radius (less, if auxiliary fuel tanks are unavailable). Optional delivery and retrieval methods include airlanding, airdrop, rappel, rope ladders, hoist, and pickup harness. Operations normally demand daylight, periods of morning and evening twilight, or at least a half moon, but well-trained crews wearing night vision goggles can sortie after dark. UH-1Ns, like Pave Low HH-53s, are scarce. The SOF total is four.65/

Special Operations Combat Control Team. SOCCT personnel essentially are specialized air traffic controllers and aerial fire support facilitators skilled at covert and clandestine activities in hostile territory. They normally deploy as 2-3 man elements to preserve low visibility, but some missions require more. One particularly important joint task that often involves foreign nationals is to select, survey, prepare, mark, install communications, and operate surreptitious reception sites (landing zones, drop zones, and recovery zones). They also assist preplanned air strikes by positioning navigation aids and target designators. SOCCT members are qualified at HALO/HAHO parachuting and waterborne transport, including UBA, SCUBA, and inflatable boats. Finally, they instruct U.S. and allied forces on the proper application of air power in special operations.66/

Marine Corps SOF

The Marine Corps, except for small reconnaissance elements that support landing forces, is not organized, equipped, or trained for covert/clandestine operations or irregular warfare. The Commandant, however, recently designated one Marine Amphibious Unit as special operations capable--MAU (SOC). It is deployed with Sixth Fleet in the Mediterranean. The intent is to create another by 1987 to support Seventh Fleet in the Pacific. That initiative, when complete, will confer limited special operations skills on essentially conventional forward deployed forces intended mainly for direct action missions, much like those assigned Army Rangers. A helicopter squadron (reinforced) furnishes lift for the maneuver element, which is a battalion landing team replete with tanks and artillery.67/

Strategic Psyop Forces

Strategic psychological operations at national and theater levels overlap all other special operations. The American apparatus is predominantly civilian.

U.S. Information Agency (USIA), the primary instrument, is intended by law "to promote a better understanding of the United States in other countries, and increase mutual understanding between the people of the united States and the people of other countries." USIA, in pursuit of those aims, disseminates information abroad about this nation, "its people, and policies promulgated by the Congress, the President, the Secretary of State, and other responsible officials of Government having to do with matters affecting foreign affairs."68/ Means of communication encompass personal contacts between opinion-shaping foreigners and USIA officers at 217 posts in 129 countries; artistic performances, lectures, seminars, and symposia; academic and cultural exchange programs; invitations to international visitors (about 3,000 were extended in 1986); libraries in 94 countries; television and cinema; press releases; USIA periodicals (Topic and Problems of Communism are representative). Voice of America, a global subsidiary, broadcasts daily in English and 41 other languages to an audience estimated at 120 million. Radio Marti, which commenced service in May 1985, concentrates on Cuba. Radio Free Europe and Radio Liberty, separate from USIA, ostensibly are unofficial, but the U.S. Board for International Broadcasting, a federal activity, funnels congressionally appropriated funds to and oversees both organizations, which cover the Soviet Union and Central Europe. Radio Liberty also beams programs at Afghanistan.69/

The State Department, but not the Pentagon, provides some guidance. The proportion of policy-supporting themes to straight reporting, however, varies widely with Administrations. President Reagan's team tends to focus on psyop more than predecessors, but the percent is minuscule, compared with that of Soviet competitors.

Capsulized Appraisal

Some U.S. SOF are optimized for particular tasks, such as hostage rescue, clandestine infiltration/exfiltration, and psyop. Superspecialization by proliferate civil and military counterterror forces complicates planning and makes teamwork difficult. Several elements with predominantly conventional characteristics are considered SOF for the sake of convenience or political expediency. Army civil affairs, not considered "core" SOF, are assigned to 1st SOCOM mainly for administrative reasons. Cannon-firing gunships and Marine MAU (SOC) are orthodox, compared with Combat Talon and SEALS. Such emphasis on forces more useful for semi-conventional low-intensity conflict than on special operations confuses issues and diverts attention from pressing needs.

Authentic military SOF are relatively few. Mismatches between present deployments and contingency plan requirements are marked, despite ongoing "revitalization" programs. Resultant reliance on non-SOF augmentation and reserve components increases casualty prospects and, according to special operations spokesmen, impinges on abilities to accomplish important missions.70/

Low SOF priorities in relation to conventional forces have left most U.S. special operations forces chronically understrength and undertrained. Much of their hardware is makeshift and antiquated. Communication equipment shortfalls limit the ability of Special Forces and SEALs to cover assigned areas or control isolated teams as doctrine prescribes.71/ Linguistic deficiencies are glaring (competence is least in Middle Eastern, Asian, and African languages/dialects). The list of such problems is lengthy. Organizational reforms that recently became law should expedite improvements, but nevertheless corrective action will take money and attention over a long time.*

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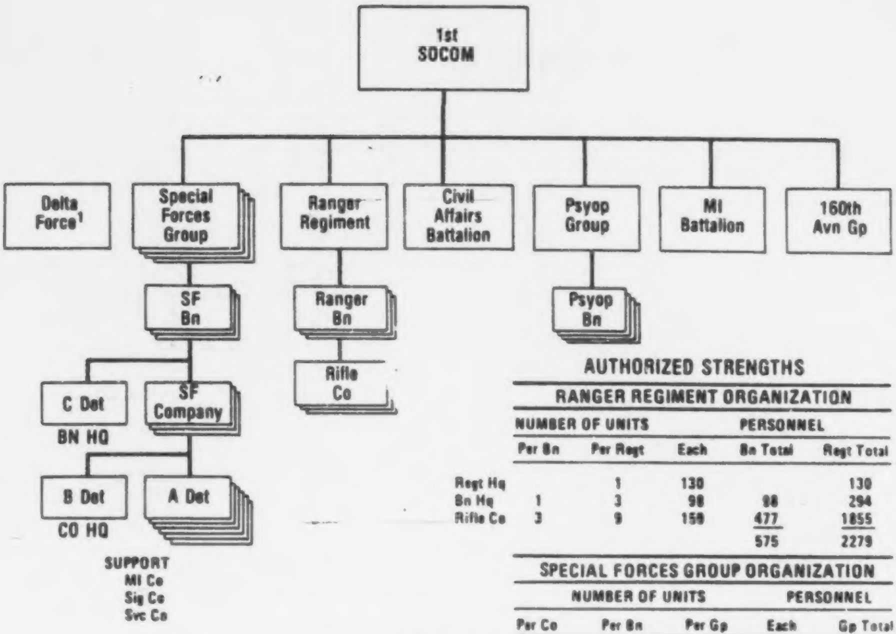
* A SOF aircraft bonanza may be in the offing. The Army's four-company aviation group will expand to a brigade during the period FY 1987-89, if plans are fully implemented. Funding for Army and Air Force augmentations recommended by the JCS Chairman and Assistant Secretary of Defense for International Security Affairs is to start or accelerate in FY 1987, if possible, and be complete not later than the end of FY 1992, except for 49 CV-22A Ospreys, which are future Pave Low platforms:72/

Type Aircraft	Number
MH-60X	23
MX-60 (FLIR)	11
MH-53H/J	35
MH-47E	17
CV-22A	55
MC-130E (with tanker mod)	14
MC-130H	24
HC-130 tanker	31
AC-130H	10
AC-130U	12
C-141 (SOLL II mod)	13
C-130 (SOLL II mod)	11
	256

Note: FLIR is forward-looking infrared radar.

Figure 10

U.S. ARMY SOF


1st SOCOM
Delta Force¹
Special Forces Group
Ranger Regiment
Civil Affairs Battalion
Psyop Group
MI Battalion
160th Avn Gp
SF Bn
Ranger Bn
Psyop Bn
Rifle Co
C Det
BN HQ
SF Company
B Det
CO HQ
A Det
SUPPORT
MI Co
Sig Co
Svc Co

AUTHORIZED STRENGTHS

RANGER REGIMENT ORGANIZATION

	NUMBER OF UNITS		PERSONNEL		
	Per Bn	Per Regt	Each	Bn Total	Regt Total
Regt Hq		1	130		130
Bn Hq	1	3	98	98	294
Rifle Co	3	9	159	477	1855
				575	2279

SPECIAL FORCES GROUP ORGANIZATION

	NUMBER OF UNITS			PERSONNEL	
	Per Co	Per Bn	Per Gp	Each	Gp Total
Group Hq, Hq Co			1	92	92
Bn Hq (C Det)			3	22	66
Co Hq (B Det)		3	9	5	45
A Det	6	18	54	12	648
+ Support					1384

LEGEND

AAF	Army Airfield	MI	Military Intelligence
ARNG	Army National Guard	Psyop-	Psychological Operations
Avn	Aviation	Regt	Regiment
Bn	Battalion	ROK	Republic of Korea
Co	Company	SF	Special Forces
Det	Detachment	Sig	Signal
Ft	Fort	SOCOM	Special Operations Command
FRG	Federal Republic of Germany	SOF	Special Operations Forces
Gp	Group	Svc	Service
Hq	Headquarters	TF	Task Force

Figure 10 (con't)

	NUMBER OF UNITS					CURRENT LOCATION
	Active	USAR 2/	ARNG 2/	Total 3/		
SOCOM	1			1	1st SOCOM	Ft. Bragg, N.C.
Rangers					75th Ranger Regt	
Regt Hq	1			1	Hq; 3rd Bn	Ft. Benning, Ga.
Bn	3			3	1st Bn	Hunter AAF, Ga.
					2d Bn	Ft. Lewis, Wa.
Special Forces Groups	4	2	2	8	1st SF Gp	
					Hq; 2d Bn; 3d Bn	Ft. Lewis, Wa.
					1st Bn	Torii Station, Okinawa
					5th SF Gp	Ft. Campbell, Ky.
					7th SF Gp	
					Hq; 1st Bn; 2d Bn	Ft. Bragg, N.C.
					3d Bn	Ft. Gulik, Panama
					10th SF Gp	
					Hq; 2d Bn; 3d Bn	Ft. Devans, Ma.
					1st Bn	Bad Tölz, FRG
					11th SF Gp (USAR)	Ft. Meade, Md.
					12th SF Gp (USAR)	Arlington Heights, Il.
					19th SF Gp (ANG)	Salt Lake City, Ut.
					20th SF Gp (ANG)	Birmingham, Al.
SF Detachments	2			2	SF Detachments	
					Det	Berlin, FRG
					Det	ROK
Delta Force 1/	1			1	Delta Force 1/	Ft. Bragg, N.C.
SOF Aviation					SOF Aviation	
Group 1/	1			1	160th Gp 1/	Ft. Campbell, Ky.
Bn			1	1	45th Bn (ANG)	Speery, Ok.
Co	1			1	129th Co	Hunter AAF, Ga.
Psyop Groups	1	3		4	Psyop Groups	
					4th Gp	Ft. Bragg, N.C.
					2d Gp (USAR)	Cleveland, Oh.
					5th Gp (USAR)	Washington, D.C.
					7th Gp (USAR)	Presidio, Ca.
Civil Affairs					Civil Affairs	
Bn	1			1	96th Bn	Ft. Bragg, N.C.
Commands		3		3	351st Cmd (USAR)	Mountain View, Ca.
					352d Cmd (USAR)	Riverdale, Md.
					353d Cmd (USAR)	Bronx, N.Y.
Personnel	8,600	13,300		21,900		

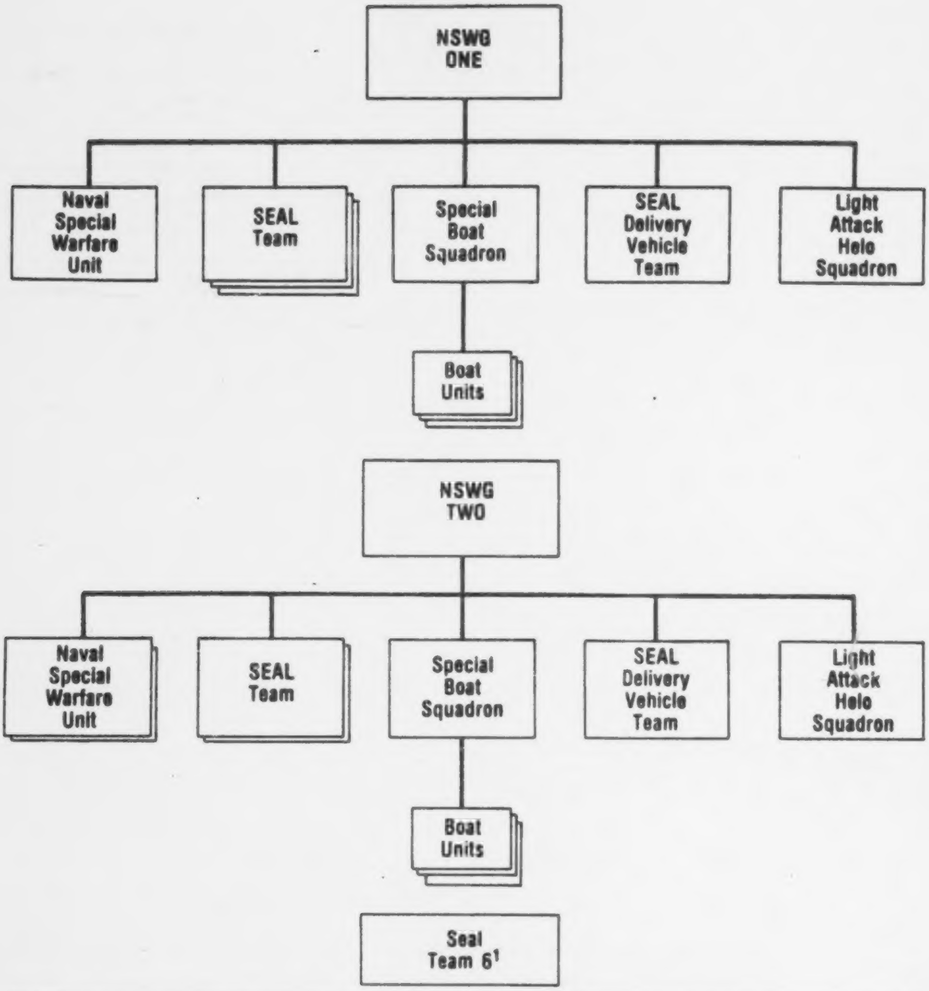
1/ Delta Force is subordinate to Joint Special Operations Command (JSOC). Parts of the 160th Aviation Group support; the group is battalion-size.

2/ Army Forces Command (FORSCOM) oversees USAR and ANG units.

3/ Planned additions to active SOF by 1990 include 1 SF group, 1 psyop battalion, and 3,800 personnel. USAR SOF plan to add 400 personnel.

Figure 11

U.S. NAVY SOF


NSWG ONE
Naval Special Warfare Unit
SEAL Team
Special Boat Squadron
SEAL Delivery Vehicle Team
Light Attack Helo Squadron
Boat Units
NSWG TWO
Naval Special Warfare Unit
SEAL Team
Special Boat Squadron
SEAL Delivery Vehicle Team
Light Attack Helo Squadron
Boat Units
Seal Team 6[1]

LEGEND

HAL	Light Attack Helicopter	PI	Philippine Islands
Helo	Helicopter	PR	Puerto Rico
Lt	Light	SBR	Special Boat Squadron
NR	Naval Reserve	SBU	Special Boat Unit
NSW	Naval Special Warfare	SD	SEAL Detachment
NSWG	Naval Special Warfare Group	SDVT	SEAL Delivery Vehicle Team
NSWU	Naval Special Warfare Unit	Sqdn	Squadron
		ST	SEAL Team

Figure 11 (con't)

	NUMBER OF UNITS				CURRENT LOCATION
	Active	Naval Reserve	Total 2/		
NSW Groups	2	0	2	NSWG ONE	Coronado, Ca.
				NSWG TWO	Little Creek, Va.
NSW Units 3/	3	3	6	NSWU 1	Subic Bay, PI
				NSWU 2	Machrihanish, Scotland
				NSWU 3	Roosevelt Roads, PR
				NSWU 1 (NR)	Kearny, N.Y.
				NSWU 2 (NR)	Miami, Fl.
				NSWU 3 (NR)	Vallejo, Ca.
SEAL Teams 1/ 4/	6	5	11	ST 1; 3; 5	Coronado, Ca.
				ST 2; 4; 4 (NR)	Little Creek, Va.
				ST 6	Dam Neck, Va.
				ST 1; 3; 5 (NR)	San Diego, Ca.
				ST 2(NR)	New Bedford, Ma.
Detachments	0	5	5	SD 106 (NR)	Little Creek, Va.
				SD 119 (NR)	San Diego, Ca.
				SD 122 (NR)	Seattle, Wa.
				SD 219 (NR)	Santa Barbara, Ca.
				SD 305 (NR)	Columbus, Oh.
Special Boat Squadrons	2	2	4	SBR 1	Coronado, Ca.
				SBR 2; SBR 2 (NR)	Little Creek, Va.
				SBR 1 (NR)	San Diego, Ca.
Units	6	4	10	SBU 11	Mare Island, Ca.
				SBU 12; 13	Coronado, Ca.
				SBU 20; 24; 24 (NR)	Little Creek, Va.
				SBU 22; 22 (NR)	New Orleans, La.
				SBU 11 (NR)	Vallejo, Ca.
				SBU 13 (NR)	San Diego, Ca.
SDVT	2	0	2	SDVT 1	Coronado, Ca.
				SDVT 2	Little Creek, Va.
Lt Attack Helo Sqdn	2	0	2	HAL 4	Little Creek, Va.
				HAL 5	Point Mugu, Ca.
Personnel	2,085	3,180	5,265		

1/ SEAL Team 6 is subordinate to Joint Special Operations Command (JSOC).

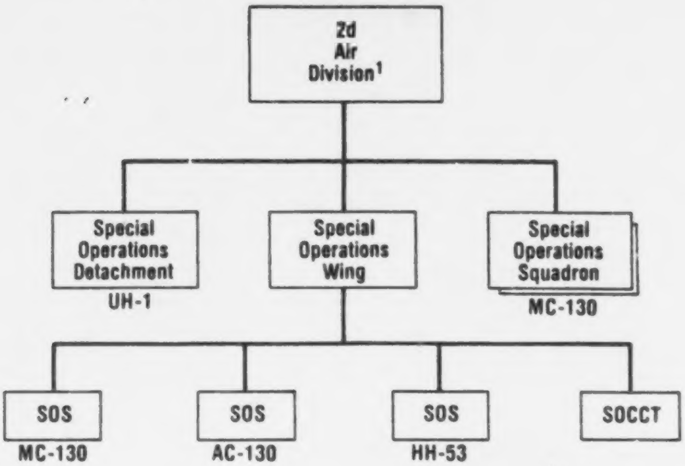
2/ Planned additions to active SOF by 1990 include 18 naval special warfare craft and about 750 personnel.

3/ NSWU are command and control headquarters with 17 personnel each.

4/ Each SEAL team is authorized 175 personnel.

Figure 12

U.S. AIR FORCE SOF


2d Air Division1
Special Operations Detachment
UH-1
Special Operations Wing
Special Operations Squadron
MC-130
SOS
MC-130
SOS
AC-130
SOS
HH-53
SOCCT

	NUMBER OF AIRCRAFT 2/			
	Active	AFR	ANG	Total
Core SOF				
MC-130 Combat Talon	14			14
AC-130 Spectre	10	10		20
EC-130 Volant Solo			4	4
HH-53 Pave Low	8			8
UH-1 Huey	4			4
CH-3		6		6
Augmentation				
C-141 (SOLL II) 3/	9			9
C-130 (SOLL II) 3/	9			9
HC-130	8			8
HH-53	8			8
HH-60	8			8

LEGEND

AC-	Attack Transport Aircraft	MAW	Military Airlift Wing
AFB	Air Force Base	MC-	Special Mission Transport
AFR	Air Force Reserve	Ops	Operations
ANG	Air National Guard	PI	Philippine Islands
ARRW	Aerospace Rescue and Recovery Unit	RWRW	Rescue and Weather Reconnaissance Wing
CH-	Cargo Helicopter	SOCCT	Special Ops Combat Control Team
Det	Detachment	SOG	Special Operations Group
Div	Division	SOLL	Special Operations Low Level
EC-	Electronic Warfare Transport	SOS	Special Operations Squadron
Fld	Field	SOW	Special Operations Wing
FRG	Federal Republic of Germany	TAW	Tactical Airlift Wing
H-	Helicopter	UH-	Utility Helicopter
HH-	Heavy Lift Helicopter		

Figure 12 (cont.)

	NUMBER OF UNITS					CURRENT LOCATION	AUTHORIZED AIRCRAFT 4/
	Active	AFR	ANG	Total			
Air Division	1			1	2d Air Div	Hurlburt Fld, Fl	
Special Ops Wing	1			1	1st SOW	Hurlburt Fld, Fl	
Special Ops Squadrons	5	1		6	8th SOS		6 MC-130E
					16th SOS		10 AC-130H
					20th SOS		8 HH-53H
					1st SOS	Clark AB, PI	4 MC-130E
					7th SOS	Rhein-Main AB, FRG	4 MC-130E
					302d SOS (AFR)	Luke AFB, Ar.	6 CH-3
Special Ops Groups		1	1	2	193d SOG (ANG)	Harrisburg, Pa.	8 EC-130E
Special Ops Det	1			1	919th SOG (AFR)	Duke Fld, Fl.	10 AC-130A
Special Ops Combat Control Team	1			1	Detachment 1	Howard AFB, Panama	4 UH-1N
					SOCCT	Hurlburt Fld, Fl.	
Personnel	4,100	17,000		21,100			
Augmentation							
SOLL II Wings 3/	2			2	317th TAW	Pope AFB, NC	9 C-130E Crews
					437th MAW	Charleston, SC	9 C-141B Crews
Other Wings	2			2	39th ARRW	Eglin AFB, Fl	4 HC-130; 8 H-60
					41st RWRW	McClelland AFB, Ca	4 HC-130; 8 HH-53

1/ Elements of 2d Air Division respond to Joint Special Operations Command (JSOC).

2/ Search and rescue (SAR) units worldwide are not shown. EC-130E Volant Solos are psyop.

3/ SOLL II crews are qualified for clandestine, low-level infiltration/exfiltration blacked out, using special techniques and equipment. SOLL I crews can fly modified contour paths as low as 300 feet above local terrain.

4/ Planned additions to active SOF by 1992 are noted at the end of Chapter 2 text, plus 11 HH-53H, and 1700 personnel. SOF organization is scheduled to add 20 C-141 and 25 C-130 SOLL II crews during the same period.

Chapter 3

COMPARATIVE CONCEPTS AND PRACTICES

The United States and Soviet Union approach most special operations from nearly opposite quadrants of the compass. Respective concepts shape the forces just described and dictate employment practices in conjunction with non-SOF implements.

COLD WAR

U.S. and Soviet leaders define true "peace" in totally different terms. Our side conceives a period of friendly competition. Soviet scriptures contend that the socialist system must prevail before "peace" as we see it is possible.1/ Their side, according to repeated pronouncements by successive regimes, "struggles" ceaselessly with non-communist countries.2/ Those incompatible positions form quite different foundations for special operations during cold wars.*

SOVIET ACTIVISM

Soviet strategies consider "peacetime" special operations very important, if open source accounts are even close to correct. Two types of so-called "active measures" appear to predominate: fifth column-style forward deployment and strategic psyop, especially subversion and disinformation.3/ Professional observers find that hard evidence often is scant, because "active measures" epitomize the indirect approach to problem-solving. All embrace Sun Tzu's sage advice (circa sixth century B.C.) that "the acme of skill" is to subdue foes without fighting.4/

Fifth Column Deployment

U.S. and allied analysts must supplement facts with informed speculation about the extent and effectiveness of Soviet clandestine efforts to preposition illegal "sleepers" in prospective operational areas for purposes other than espionage and develop supporting on-site infrastructure. Highly classified estimates of quantities in any given country, together with qualitative assessments of associated threats, consequently may be too optimistic or too pessimistic by orders of magnitude.5/

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* Section 1C, Annex A hypothetically connects cold war with special operations.

Even a scattering of Soviet-controlled assassins and saboteurs, however, could savage rival nerve centers at the onset of surprise hostilities. Serious problems would persist, if counterintelligence identified them all, unless U.S. and allied leaders risked unpredictable repercussions and declared the lot persona non grata. The FBI quickly neutralized would-be Nazi saboteurs and terrorists who infiltrated U.S. territory after World War II began,6/ but free societies in peacetime cannot legally lock up suspects who have broken no law, and they lack sufficient means to maintain continuous surveillance until awakened "sleepers" make the first moves in a conflict that enemies start.

Political Warfare

Psychological operations for persuasive, coercive, deceptive, and subversive purposes have always been a Soviet specialty.* They consistently support zero-sum cold war strategies intended to deplete opposing power and, if possible, add it to their own.

Dynamism

Soviet "active measures" seek to exploit endemic instabilities in selected locations around the globe, participate in the replacement of capitalist institutions and structures with Marxist-Leninist models, promote radical regimes sympathetic to Kremlin causes, and encourage defection from camps that are not. Influence remains an intermediate or fall-back position when behind-the-scenes control is incomplete or impossible.7/ Economic and military assistance programs administered by Soviet agents frequently assist political penetration. Syria, Iraq, Libya, Vietnam, India, Algeria, Cuba, Ethiopia, Afghanistan, and Angola presently are top recipients, in that order.8/

Words are the principal weapon system. White, gray, and black propaganda, which respectively publicize, conceal, and misrepresent the true source, are instruments the Soviets use to manipulate public opinion in ways they hope will divide opponents and consolidate support. Personal contact with local elites, such as politicians, military officers, journalists, labor leaders, teachers, and clergy is a customary supplement. The Soviets particularly try to turn key individuals into "agents of influence" (Lenin called them "useful idiots") who, for reasons that vary from altruism to avarice, attack their own social institutions and/or defense establishment.9/

Preparations are extensive and continuous. Many Soviet students prepare for careers in political agitation and propaganda, which are considered professions comparable in prestige to medicine, law, and engineering. The Lenin School, founded in 1926, trains cadres from other countries; Gus Hall (USA), Maurice Thorez (France), Ernest Thaelman (Germany), and Chou En Lai (China) are among its distinguished graduates.10/

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* Section 2E, Annex A discusses psychological operations in generic terms, including disinformation and subversion.

Disinformation

Strategic disinformation, a facet of psyop, is the province of top-level politico-military policymakers in the Soviet Union, according to a KGB training manual. Tactical disinformation assists.11/ Both deliberately feed inaccurate, incomplete, and insidious data to, and/or "confirm" it for, particular target audiences. Success causes recipients, who may be friends and neutrals as well as foes, to respond in ways senders want.12/

Freedoms of speech and press, which are hallmarks of democracy, invite Soviet disinformation architects, particularly when "agents of influence" in the Fourth Estate are available. The Kremlin apparently finds net effects productive, even if frauds eventually are unveiled, because disavowals seldom receive as much publicity as the original plant. The closed Soviet establishment is almost invulnerable to counterattacks in kind.13/

Techniques vary with time and place, but media manipulations, word-of-mouth rumor campaigns, and blind broadcasts are standard practice. Soviet propagandists consider newspapers and periodicals banner outlets, partly because distorted stories inserted in presumably unbiased foreign publications look legitimate, and partly because bogus accounts frequently gain credibility through repetition.14/ Fabrications and forgeries, some clever, others clumsy, serve as "evidence" when genuine proof is nonexistent.15/ Themes that burnish the Soviet image and tarnish rivals cover a wide range. Alleged U.S. aggression and refusal to agree on arms control are two typical topics.16/

Dividends and Disappointments

Disinformation, subversion, and other covert/clandestine forms of political warfare are like fifth column deployment: only failures are found prematurely. What percentage pays off is problematic, since no one in the West knows whether we see most of the iceberg, or only the tip.

Interim estimates and postmortem appraisals suggest that Soviet successes occur most frequently in Third World countries, where unpopular regimes and cronies are ready-made targets for "active measures." Dissidents eager to undermine the Government are receptive to Soviet guidance. Well-placed "agents of influence" routinely funnel falsifications to uncritical media representatives, who shape public opinion in large measure.17/ Advantages also are available in politically naive neutral nations that welcome Soviet economic and military assistance without full appreciation of concomitant risks and, being little schooled in countersubversion, recognize warning signs late. Capricious clients and crude Soviet practices nevertheless limit leverage. The Great Russian superiority complex,* accompanied by contempt for non-Slavic nationalities, clearly is a minus, not a plus. The Soviet foreign service which, in fear of defections, forbids its members to fraternize with native populations, prevents many potentially remunerative contacts.18/

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* Many U.S. Sovietologists say that brash behavior and public arrogance mask a fundamental feeling of inferiority.

Results among industrialized nations have been mixed, even though strong peace movements provide a fertile field for disinformation and subversion, particularly in NATO Europe. Soviet leaders repeatedly must be most disappointed with "active measures" in the United States ("sleeper" programs may be a prominent exception). Attempts to sway U.S. public opinion are not entirely wasted, but independent U.S. news media are a poor target for manipulation. The FBI presently sees no "significant impact on U.S. decisionmakers" and "has uncovered no evidence that suggests [they] have been induced to adopt policies against this country's interests . . . ."19/

On balance, however, the Soviets seem to believe that overall efforts are useful. There was, for example, no noticeable decline during detente. Their long-term strategy accepts two steps forward and one back, because cumulative gains accrue. Swift success is a windfall.20/

U.S. PASSIVISM

The scale of clandestine and covert U.S. special operations in peacetime was small compared with Soviet ventures, even before Congress legally curtailed the CIA's "special activities," which a Presidential decree artificially differentiates from military "special operations."*

The climate in any case is inclement. Secrecy is most difficult to maintain in this open society, whose citizens generally regard such machinations as imprudent, immoral, or both, and expect Congress, as well as the news media, to root out and report potential "scandals." Disgruntled former agents expose erstwhile colleagues and mechanisms with impunity.21/

Open sources are silent about any U.S. equivalent of direct action "sleepers" the Soviets allegedly preposition in enemy territory before combat begins. They likely are foreign nationals already on site if, in fact, any exist. Army Special Forces "stay behind" teams that remain in place after shooting starts bear some resemblance, but differences exceed similarities: their operations, unlike those of Spetsnaz "sleepers," are strategically defensive, in support of nuclear and conventional forces that withdraw, instead of attack; their leeway for initiative thus is less; their numbers are relatively few; and their pre-employment vulnerability is greater, because U.S. SOF forward deployed in peacetime are easily identifiable candidates for preemptive attacks at the onset of hostilities.22/

Distaste for covert direct action during "peacetime" carries over to surreptitious psyop.24/ Psychological warfare is not a major instrument of U.S. statecraft, centrally controlled and globally employed. No college or university offers courses, much less confers degrees in psyop. Clinical psychologists, whose vocation is human behavior, and cultural anthropologists, who compare different cultures, write few handbooks on that subject and rarely counsel professional planners.25/ Congress and the people disapprove of U.S. "propaganda," which has a pejorative connotation, and disallow disinformation; the slightest indication causes clamor. America's public information media, a dominant influence on domestic and world opinion, freely criticizes official policies and practices.26/ Economic and military assistance programs are seldom covers for covert operations. Neither civilian agencies nor the Department of Defense are well equipped to exploit possibilities, even if policies change.27/

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* Special activities, "planned and executed so that the role of the United States Government is not apparent or acknowledged publicly," are solely a CIA responsibility in peacetime. Military special operations, whether overt (sic) or clandestine, are acknowledged by U.S. officials, if discovered. Covert special operations must be "approved by the President in accord with [Executive Order] 12333. Only a small percentage . . . are clandestine."23/

Truth, in the final analysis, has proved to be America's most important cold war special operations instrument. It exposes Soviet falsehoods (if and when discovered) and publicizes U.S. foreign policy/national defense positions in positive ways.28/ Sixty-two USIA themes on seven subjects disseminated to many countries on every occupied continent vary from general to specific. Arms control, human rights, terrorism, Soviet misconduct, and America's commitment to Middle East peace are among those with national security implications.29/

INSURGENCY/RESISTANCE

Insurgency involves extended, organized efforts by disaffected parts of a population to overthrow established order, seize political power by subversive and coercive means, and sometimes alter the existing social system. Resistance employs similar forces and tactics to unseat the winning side of a successful insurgency or to importune and, if possible, oust an occupying power.*

SOVIET SPONSORSHIP AND SUPPORT

Soviet words and deeds match well. At least 17 insurgencies scattered around the world have received direct Soviet assistance since World War II, mainly in the form of advice, training, arms, equipment, military supplies, and money (Figure 13 and Map 1).30/ Results mixed success with failure, but the intent in each case was clear. That count excludes suspected, but unconfirmable, support in places like the Philippines, past and present; support for small groups that conducted coups (Grenada is one good example); "band wagon" support that began after rebels won their war (Egypt, 1952; Cuba, 1959; Algeria, 1962) and support for pro-Soviet subversives who overcame rivals

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* Section 1 B(2), Annex A summarizes the nature of insurgencies and resistance movements for purposes of this report. Section 2A outlines the elements and implications of cellular organization.

Figure 13

SOVIET AND SURROGATE SUPPORT FOR INSURGENCIES
Since World War II

	EUROPE	ASIA	AFRICA	LATIN AMERICA	TOTAL
Soviet Union	N. Ireland (1960s,70s) Cyprus (1950s, 60s) Greece (1940s)	N. Yemen (1970s) S. Yemen (1960s) Vietnam (1950s-70s) Laos (1950s-70s) China (1940s)	S. Africa (1960s-) Namibia (1960s) Zimbabwe (1970-79) Angola (1970-75) Mozambique (1970-75) Guinea-Bissau (1970-75) Ethiopia (1960s-74) Zaire (1960-61)	Nicaragua (1980s)	
TOTAL	3	5	8	1	17
Cuba			Namibia (1970s-) Angola (1960s-75) Mozambique (1960s-75) Ethiopia (1960s-74)	El Salvador (1970s-) Guatemala (1960s-) Nicaragua (1970s) Colombia (1960s, 70s) Uruguay (1960s, 70s) Bolivia (1960s) Venezuela (1960s)	
TOTAL			4	7	11
Palestine Liberation Organization (PLO)		Israel (1960s-) Lebanon (1970s-) Jordan (1970-71)		El Salvador (1980s) Nicaragua (1970s)	
TOTAL		3		2	5
Selected Other Surrogates Vietnam		Thailand (1970s) Cambodia (1970s-) Laos (1950s-70s)			3
Libya			Sudan (1980s)	El Salvador (1980s) Nicaragua (1970s)	3
Nicaragua				Colombia (1980s) El Salvador (1980s)	2
E. Germany			Namibia (1970s-)	El Salvador (1980s)	2
Ethiopia			Somalia (1970s-) Sudan (1970s-)		2
S. Yemen		N. Yemen (1960s-) Oman (1960s-70s)			2
Czechoslovakia		Palestine (1940s)			1
Syria		Lebanon (1980s)			1
TOTAL		7	4	5	14
TOTAL SITES	3	12	10	7	32

1/ Support includes politico-military training in the U.S.S.R. or surrogate states and situation-specific psyop, as well as on-site economic and military assistance. Entries indicate involvement, without differentiating successes from failures.

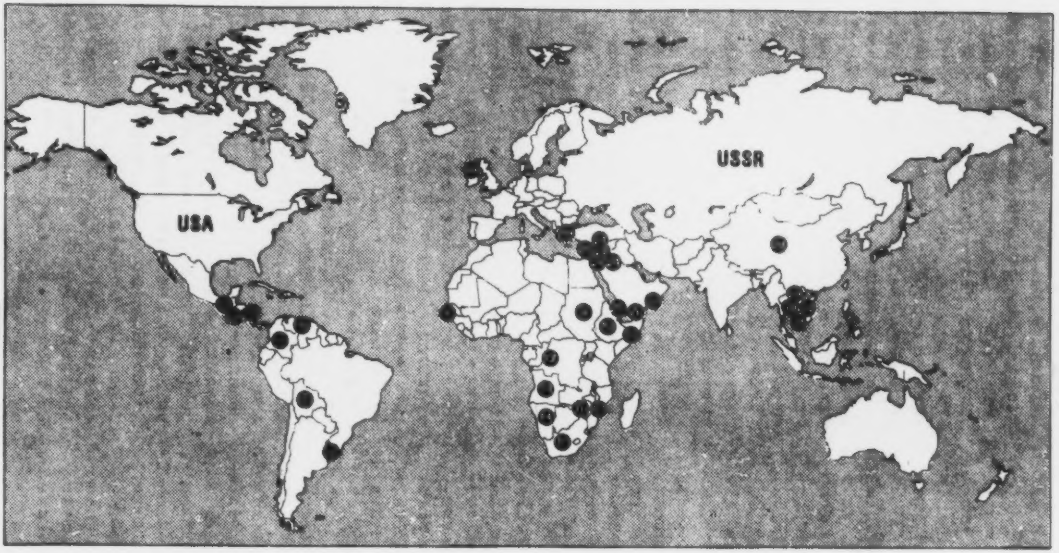
2/ Subversive activities in the absence of significant insurgencies and support for coups d'etat are excluded.

3/ Total sites count each supported insurgency only once.

MAP 1

SOVIET AND SURROGATE SUPPORT FOR INSURGENCIES

Since World War II



LEGEND

A. Soviet Only
B. Surrogate Only
C. Soviet and Surrogate

1. Guatemala - B
2. El Salvador - B
3. Nicaragua - C
4. Venezuela - B
5. Colombia - B
6. Bolivia - B
7. Uruguay - B
8. Guinea-Bissau - A
9. Sudan - B
10. Ethiopia - C
11. Somalia.- B
12. Zaire (Congo) - A
13. Angola - C
14. Namibia - C
15. South Africa - A
16. Zimbabwe (Rhodesia) - A
17. Mozambique - C
18. Northern Ireland - A
19. Greece - A
20. Cyprus - A
21. Lebanon - B
22. Palestine - B
23. Israel - B
24. Jordan - B
25. North Yemen - C
26. South Yemen - A
27. Oman (Dhofar) - B
28. China - A
29. Laos - C
30. Cambodia - B
31. Vietnam (Indochina) - A
32. Thailand - B

without resort to armed insurgency, which is what happened to countries currently in the Warsaw Pact.

Assistance to "progressive" revolutionaries who oppose non-socialist regimes implements Article 28 of the Soviet Constitution, which Brezhnev punctuated in reports to three successive Communist Party Congresses between 1971 and 1981. His successors reduced rhetoric, but not deeds.31/ Calculated self interest takes precedence over compassion and ideology. Sudanese splinter groups got short shrift in the early 1970s, after the central government severed ties with the United States. Relations with Iraq took precedence over Kurdish separatists, who Kremlin occupants left in the cold a few years later. Port visitation privileges apparently are more important than Tamil independence from Sri Lanka today.32/

Soviet leaders respond well to targets of opportunity, and occasionally create their own, but history shows that most often they merely exploit, rather than instigate, revolution and help associates consolidate gains. Planners habitually favor low-cost, low-risk, potentially high-payoff operations that permit graceful egress, if liabilities begin to exceed benefits. There was no public compunction, for example, about dumping Grenada's dissidents after President Reagan raised the stakes.33/

Soviet combat forces have never intervened heavily to reverse insurgent losses, although their ability to do so helps isolate battlefields by giving outsiders pause. Soviet leaders instead prefer to apply power indirectly through de facto proxies who receive wherewithal from the USSR. Figure 13 reflects activities of 10 such assistants, starting in the 1960s. Occasional surrogates, such as Bulgaria, and marginally reliable partners, such as China before the Sino-Soviet split, would lengthen the list considerably. Proxy motivations are relatively unimportant from Moscow's perspective, as long as junior partners cooperate. Problems crop up only occasionally, when part-time collaborators who pursue semi-independent foreign policies work at cross-purposes with their patron. Moscow, for example, must have been miffed when Fidel Castro, who is no puppet, sided with Argentine insurgents despite contrary Soviet intents; he also assisted Eritrean "freedom fighters" against the Ethiopian Government, which the Kremlin favored.34/

Eurasia retains top attention, but the Soviets began to embrace African revolutionaries about the time decolonization terminated and currently are active across that continent.35/ Latin America, which remained very low key until recently, seems a special case. Proxies predominate, probably because critical (some say vital) U.S. interests make Moscow move cautiously, while testing the limits of American tolerance. East Germany, Libya, Nicaragua, and the Palestine Liberation Organization (PLO) all are involved. Cuba, however, bears much the largest load (Figure 13). Its Constitution, like that of the Soviet sponsor, supports revolution. Castro publicly subordinates Cuba's foreign policy "to international needs of . . . socialism and the national liberation of peoples."36/ Resultant threats to U.S. security vary from insignificant to intense, depending on the evaluator's perspective.37/

Soviet connections with insurgencies share several characteristics, wherever they occur.38/ Friends must count first on self-help. Military assistance predominates, because beneficiaries, being out of power, could not easily convert economic largess to political capital, even if the Soviets were positioned to supply what the people need, which is seldom the case. Training for revolutionary cadres and military tacticians receives consistent stress; Ho Chi Minh may be the most famous alumnus, but lesser luminaries from many countries are legion. Soviet and Cuban educational programs to shape political attitudes and thought processes among the common people also are conspicuous.39/ Psychological operations, without exception, are important. Favorable world opinion for Soviet-backed insurgents is one objective, with particular attention to audiences in the United States and United Nations. Opinion in contested areas is a second target. Disinformation and what Moscow euphemistically calls "propaganda of deeds" both play eminent parts. The latter includes terrorist attacks on key individuals who oppose the revolutionary cause, calculated to make personal survival the ultimate value for local leaders at every level.40/

"There is no trace of any feeling in Soviet psychology that [their] goal must be reached at any given time." The Kremlin "consequently cannot be easily defeated or discouraged . . . . And the patient persistence by which it is animated means that it can be effectively countered . . . only by intelligent long-range policies" pursued with equal fortitude. That statement of the problem, which George F. Kennan penned in 1947, applies perfectly to Soviet/surrogate support for insurgencies in the 1980s.41/

U.S. SPONSORSHIP AND SUPPORT

U.S. traditions favoring self-determination (sometimes disregarded for expedient purposes) date to our Declaration of Independence, which asserts "That to secure [unalienable rights], Governments are instituted among Men, deriving their just powers from consent of the governed.--That whenever any Form of Government becomes destructive to these ends, it is the Right of the People to alter or to abolish it . . . ."

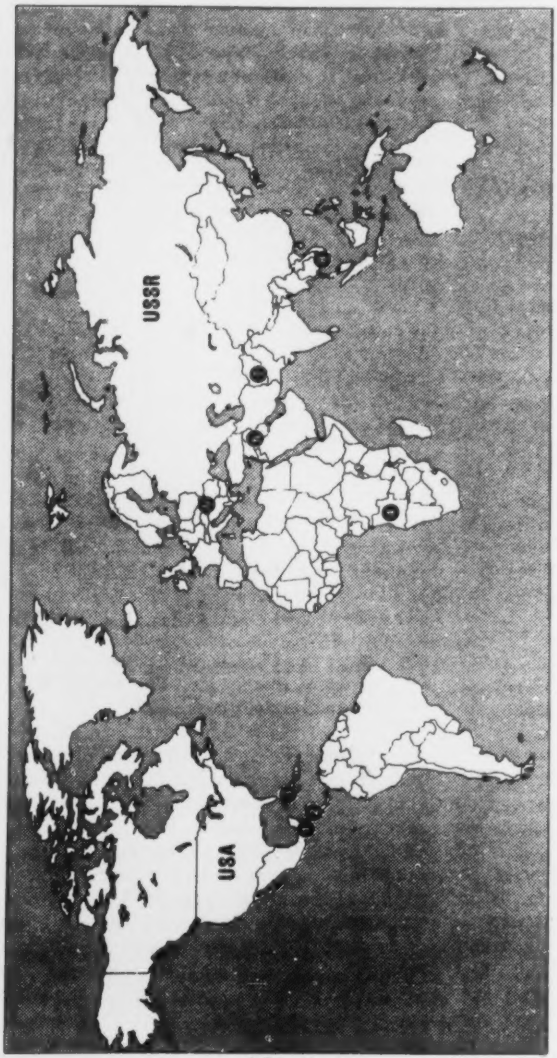
A long string of U.S. covert actions applied that preference to support elitist coups against repressive regimes (more on the political right than the left) at least eight times since World War II: Marcos, Philippines, 1986; "Baby Doc" Duvalier, Haiti, 1986; Somoza, Nicaragua, 1979; Allende, Chile, 1973; Sukarno, Indonesia, 1966; Diem, Vietnam, 1963; Trujillo, Dominican Republic, 1961; and Mussaddiq, Iran, 1953. U.S. assistance for large insurgent groups during the same period was scant (Figure 14 and Map 2), especially when compared with similar Soviet activities depicted in the preceding section.42/

Support was forthcoming for bona fide insurgents when the United States backed rebels against President Jacobo Arbenz Guzmán of Guatemala in 1954. The Shah of Iran, as a de facto U.S. surrogate, helped Kurdish separatists devil pro-Soviet Iraq two decades later. Six resistance movements, however, received most attention. Two took place in the distant past: Hungary, 1956; Cuba (Bay of Pigs), 1961. The

MAP 2

U.S. AND SURROGATE SUPPORT FOR INSURGENCIES

Since World War II



LEGEND

A. U.S. Only
B. Surrogate Only
C. U.S. and Surrogate

1. Guatemala - A
2. Nicaragua - C
3. Cuba - A
4. Angola - A
5. Hungary - A
6. Iraqi Kurds - B
7. Afghanistan - A
8. Cambodia - A

Figure 14

U.S. AND SURROGATE SUPPORT FOR INSURGENCIES

Since World War II

	EUROPE	ASIA	AFRICA	LATIN AMERICA	TOTAL
United States	Hungary (1956)	Afghanistan (1980s) Cambodia (1980s)	Angola (1986) (1975-76) (1962-69)	Nicaragua (1980s) Cuba (1961) Guatemala (1954)	
TOTAL	1	2	1	3	7
Contras				Nicaragua	1
Iran		Iraqi Kurds (1970-75)			1
TOTAL	—	1		1	2
TOTAL SITES	1	3	1	3	8

1/ Support includes politico-military training in U.S.A. and situation-specific psyop, as well as on-site economic and military assistance. Entries indicate involvement, without differentiating successes from failures.

2/ Supported insurgencies include resistance movements.

3/ Subversive activities in the absence of significant insurgencies and support for coups d'etat are excluded.

4/ Total sites count each supported insurgency only once.

remainder currently comprise four counterrevolutions where Soviet-subsidized insurrections triumphed in the 1970s (Afghanistan, Angola, Cambodia, and Nicaragua). U.S. decisionmakers cannot agree whether assistance to recalcitrant groups against Marxist Ethiopia and Mozambique would help or harm regional interests.43/

The clearest U.S. objective "is to help people help themselves." Beyond that, aims become fuzzy, because answers to the question "Help them do what?" range from "increase Soviet costs" to "remove radical regimes," with assorted alternatives between. Resultant ambiguities lay a shaky foundation for plans, programs, and budgets that will fail, unless they match politico-military ends with available means more effectively than those of the opposition.44/

U.S. support at this point is highly selective. "The enemy of our enemy will be assured of our friendship [only] if he shares our values . . . and would be preferable to the regime in power." Clearly, "we do not believe it is correct or useful to overthrow one tyranny in favor of another," is how the Assistant Secretary of Defense for International Security Affairs recently phrased official position. His principal deputy advised against publicizing definitive policies, because embarrassments (even vulnerabilities) may occur when they refuse to fit particular circumstances. Secretary Weinberger personally warned that "commitment of U.S. forces to combat must be a last resort . . . when other means have failed or have no prospect of succeeding."45/ Proxies, who sometimes cause more problems than they solve, play a large part only in Nicaragua; we deal directly elsewhere.

That approach has neither pleased critics who view too little U.S. assistance for insurgents nor placated those who view too much. The former perceive missed opportunities, the latter fear spiraling escalation and accompanying costs in political capital, as well as lifeblood and treasure.46/ Compromises consequently are unavoidable. Types and amounts of aid vary immensely. Afghani Mujahiddin and anti-Sandinista Contras, for example, enjoy more than 90 percent of all U.S. military and economic aid to undergrounds and guerrillas. Congress in 1985 repealed the Clark amendment, which forbade funds for Angolan resistance forces without its approval, but UNITA (National Union for Total Liberation of Angola) has reaped few subsequent benefits. Congress authorized the Cambodian backwater a total not to exceed $10 million in fiscal years 1986-87, although the Administration actually allocated almost one-third less.47/ Psychological operations, which should be inseparable from other U.S. assistance, rarely surface as a relevant issue.

That pattern of support leaves little to engage targets of opportunity, severely limits the capabilities of recipients, and leads them to doubt U.S. reliability over the long haul. Low input levels, in sum, preclude high expectations by participants or their U.S. sponsors.

FOREIGN INTERNAL DEFENSE

Foreign internal defense (FID) indicates steps by any government to help another government deter or defeat subversion, insurgency, resistance movements, or transnational terrorism. Types and degrees of support depend on many variables that may include respective interests, objectives, threat perceptions, policies, capabilities, and views about burden sharing. Armed force and measures to strengthen host country political, military, economic, and social institutions are complimentary.*

SOVIET COUNTERINSURGENCY

U.S. analysts commonly assert that the Soviets are more successful fomenting foreign revolutions than they are at FID.48/ In fact, they have not yet failed to stifle rebellions in any Soviet-style socialist state since World War II.

FID Policies

The Soviets may never publicize foreign internal defense policies, but their activities reveal three distinct sets. One, with universal applicability, serves principals and proxies equally well. The second is a supplement only where direct Soviet power predominates. The third set applies where it does not.

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* Annex A, Section 1B(3) outlines counterinsurgency tasks and techniques.

Set One centers first of all on deterrence, which is preferable to defense. Precautions usually precede complete socialist victory and continue indefinitely thereafter. Indoctrination, reeducation, and pervasive security systems fed by informants at home, at work, and at school are standard practices intended to produce desired behavior and uncover deviants before they can cause serious trouble. The Soviets try to limit their involvement, if prevention fails. Major combat forces, for example, have never yet deployed for any purpose where they lack direct logistic links with home territory. City dominance comes first, the countryside waits.49/

Set Two reflects cumulative counterinsurgency experience dating from czarist days. Policies call for conclusive action to crush resistance quickly. Winning the hearts and minds of populations is less important than bending most to Soviet will and breaking the remainder. Moral restraints are scant. Systematic terror is one instrument. "Decapitation" strikes against rebel leaders and their control apparatus are guided by an implicit slogan, "Kill the head and the body will die." Assassination, abduction, and subversion are alternative techniques that pertain, in different proportions at different times and places. The Soviets also seek to separate "fish" (the insurgent rank and file) from the supporting "sea" (the people), as Mao once put it.50/ Mass deportation and compulsory resettlement schemes are standard practices. So is systematic destruction of the agrarian infrastructure, because abilities to furnish or deny food provide Soviet FID specialists a useful lever. Villages are selectively levelled, crops and livestock are laid waste. Protection is only for confirmed sympathizers.*51/

Set Three replaces Soviet military power with security assistance whenever risks of deep direct involvement could outweigh recompense. Even so, only Ethiopia, Afghanistan, and Angola make the Top Ten list of beneficiaries, and they bring up the tail end in that order.52/ Indigenous troops and de facto proxies, who act as cat's paws and pawns, take all of the casualties and most of the blame for reversals. Moscow reaps benefits from victories.

FID Applications

Soviet rulers, who have implemented FID policies repeatedly since World War II, used massive military power to squelch incipient rebellions before they exploded in the Ukraine and former Baltic States (late 1940s), East Germany (1953), Hungary (1956), and Czechoslovakia (1968). The latter two are classic examples of "decapitation" to prevent resurgence of resistance already reduced.

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* U.S. observers who deplore Soviet brutality tend to forget that human rights and compassion for opponents are recent phenomena in America. General Philip A. Sheridan, for example, was by no means aberrant when he instructed subordinates to let the 1873 Kickapoo campaign be one "of annihilation, obliteration, and complete destruction."53/

Soviet duplicity, which led to the separate abductions and subsequent executions of Hungarian Prime Minister Nagy and Defense Minister Maleter left followers without leaders. Finesse was valued more in the case of Dubcek, First Secretary of the Czech Communist Party; Moscow, fearing a martyr, gradually converted him from a national symbol to a faceless functionary. Soviet FID versatility is further evident in Poland, where the government and security forces, acting on Soviet advice, at least temporarily have suppressed Solidarity-inspired resistance that weakens the Warsaw Pact. The 27th Soviet Communist Party Congress, which convened February 25-March 6, 1986, indicates that support for socialist regimes under fire from counterrevolutionaries will continue during this decade.54/

Afghanistan

Afghanistan is the only full-scale resistance movement currently inside the Soviet sphere or on its periphery. Armed attacks on the Soviet-backed regime, which began in April 1978 and provoked Soviet intervention on Christmas Eve the following year, started a struggle that has endured longer than the "Great Patriotic War" against Germany.55/ Gorbachev's promise to recall "six regiments . . . before the end of 1986" by no means presages abatement; three are antiaircraft artillery, for which there is no need, and one contains road-bound armor.56/

"Sovietization" of that conflict was unavoidable, because Afghan armed services, never very effective, collapsed early and remain close to useless, despite extensive military assistance. SOF are far less important than conventional Soviet forces, but Spetsnaz have been used selectively in roles that reportedly include assassination. FID activities of all kinds rely heavily on intelligence from the Afghan State Information Service (KHAD), a huge (40,000) secret police organization under KGB supervision that insinuates agents into every aspect of Afghan society, including resistance camps.57/

Soviet military commanders pursue an attrition strategy with few tactical or technological limitations. Main aims apparently are to secure Kabul, the capital, and other urban centers; cut lines of communication with the outside world; and eliminate rebel strongholds at minimum cost. Guerrilla bands have proved elusive targets for numerically superior Soviet forces with sophisticated weapons, but "scorched earth" and "migratory genocide" policies are gradually reducing their ability to survive in barren terrain. Fire bombings that obliterate crops and villages eventually may starve them into submission, unless external suppliers compensate. Close to a quarter of the population is corralled in cities under tight control, or has crossed the border to Pakistan, which presently harbors the world's largest group of refugees (almost 3 million). Those consequences simplify future FID.*58/

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* Soviet tactics in Afghanistan are similar in some respects to U.S. FID activities in Vietnam and produce comparable cause/effect relationships. Motives, however, are much different. The Soviets seek to obliterate opposition and cow the population, not solicit popular support. Atrocities are national policy, not aberrations in battle.

Psychological operations take two twists. Techniques against domestic targets include propaganda campaigns, political indoctrination, education, and reeducation. Thousands of Afghan children attend Soviet schools that prepare them for future responsibility in a socialist state subservient to the U.S.S.R. Strategic psyop supporting foreign policy seeks to justify continued Soviet intervention and limit backlash. A carrot and stick approach plays on Pakistan, which shelters Afghan refugees and funnels rebel supplies, but remains ambivalent about close links with the United States. Economic inducements in that special case combine with cross-border bombings, subversion, and other pressures designed to intimidate.59/

FID Afield

Soviet-supported FID have dragged on for over a decade in Angola, Mozambique, Ethiopia, and Cambodia. Sandinista counterinsurgents seem stalemated in Nicaragua. Early solutions to serious socialist problems seem improbable.60/

Marxist postures nevertheless are better than might be expected, because their opponents help compensate. Angolan rebels have a strong on-site power base, but those in Ethiopia are badly outnumbered and the government, not guerrillas, controls all urban areas, as it does in Mozambique. Contras and various Cambodian factions, which lack large popular followings (Khmer Rouge recruiters must rely on coercion), are reduced to occasional raids from sanctuaries in Honduras and Thailand respectively, rarely in enough strength to threaten rivals seriously. Lack of clear U.S. objectives and political commitment further simplify Marxist FID. Aid levels allow recipients to survive, not thrive. Inconsistent American and allied economic policies help some insolvent socialists stay afloat. U.S. companies, for example, buy about half of Angola's oil and plan to subsidize oil exploration by Mozambique.61/

As it stands, the Kremlin still can claim, with little fear of accurate refutation, that socialist gains are irreversible. One serious setback, however, could shatter the myth of invincibility, encourage current resistance movements, and cause others to develop. Both sides consequently are playing for big stakes.62/

U.S. COUNTERINSURGENCY

There is general agreement that the greatest potential armed threats to U.S. interests overseas lie in low-intensity conflicts, which include (some say feature) foreign internal defense.63/ Debates about alleged "lessons of Vietnam,"64/ however, create extensive inconsistencies between U.S. FID objectives, policies, practices, and force postures. Politico-military planners, who are uncertain how to proceed, see no sign that their doubts will soon disappear.65/

Basic U.S. FID concepts still subscribe to the Nixon Doctrine, which redefined relationships between helpers and the helped in 1969. "Experience has shown," it stated, "that the best means of dealing with insurgencies is to preempt them through economic development and social reform and to control them with police, paramilitary and military action by the threatened government . . . . [A] direct combat role for U.S. general purpose forces arises primarily when insurgency has shaded into external aggression . . . . In such cases, we shall consider the efforts of our allies, in determining our response."66/ Subsequent refinements, coupled with the so-called post-Vietnam Syndrome, strengthen that prescription for self-help and a low U.S. profile.67/

Present practices, however, contradict those declaratory policies. Economic and military assistance levels are low for beleaguered U.S. associates who, being unable to bear larger defense burdens alone, bypass or defer reforms needed to undercut insurgent causes and can neither train nor deploy appropriate forces fast enough to deal decisively with resultant problems that, directly or indirectly, endanger U.S. security interests.68/ The number of U.S. military trainers assigned to any foreign country is legally limited to six, unless Congress explicitly makes exceptions. The ceiling for El Salvador, for example, is 55 to help counter an active insurgency, although covert CIA teams may swell totals somewhat.69/ Competent law enforcement is the first line of defense against insurgent undergrounds and urban guerrillas but Congress, seeking to avoid assistance for autocrats, has outlawed police training, advice, and financial support since 1975, unless recipients have "a longstanding democratic tradition," lack standing armed services, and consistently avoid "gross violations of internationally recognized human rights" (El Salvador and Honduras presently are exceptions).70/ Restrictions on covert action further complicate U.S. efforts to accomplish essential missions while maintaining low visibility.

Involvement of U.S. military services at the last moment to salvage unacceptable situations could occur if, all efforts to the contrary, friends fail to cover interests that U.S. leaders consider critical. Early intervention by strong U.S. FID forces would be desirable, while allies in trouble still display vital signs, but may not be possible, given inhibitions embodied in the War Powers Resolution of 1973, other legal limitations, public aversion to "another Vietnam," and the Pentagon's current proclivity for caution. Swift victory, before disapproval could build abroad and domestic sympathy disappear, may not be possible in any conflict opponents promise to prolong.72/

Intervention in any event would be beneficial only if U.S. forces were well prepared for foreign internal defense, which many observers doubt. Pentagon decisionmakers, for example, believe that general purpose formations designed mainly for mid- and high-intensity combat can handle FID as a "less included capability." Special operations forces consequently are relatively low priority, although complementary missions demand both. SOF, in turn, concentrate on unconventional warfare (UW) at the expense of FID. Essential skills, however, are not all interchangeable. Establishing undergrounds and guerrilla bands requires different qualifications than rooting them out. Proficiency at clandestine infiltration/exfiltration, subversion, and sabotage is less important for FID than countermeasures in conjunction with host country security forces, who belong to a society with dissimilar styles.73/

U.S. service schools and colleges devote little time to FID tactics, but difficulties would persist if they rectified deficiencies, because military personnel officers treat training foreign nationals as a routine requirement that any competent specialist can satisfy. Effective communication in fact depends on cross-cultural understanding, a facet that gets short shrift. U.S. armed forces, as a result, lack sufficient area-oriented cadres whose members can design and conduct FID programs tailored to suit the needs of particular clients and conditions.74/

U.S. FID performance since World War II has been spotty. A "hands off" approach worked well in Greece (1948-49) and, after false starts, in the Philippines (1946-53). Advisers and material assistance sufficed. "Hands off" was unsatisfactory in China (1946-49). "Hands on" intervention by massive U.S. armed forces in Vietnam also failed (1965-72).75/ "No hands" typified U.S. support for more than 15 governments afflicted by Marxist insurgencies between 1960 and 1986 (Figure 13). Oman, the Yemens, Ethiopia, Zimbabwe, and four South American countries were among them. Some outcomes have been beneficial to U.S. security interests; others are liabilities. Whether U.S. strategists presently are applying abstinence or blends to best advantage in Central America, southern Africa, Lebanon, the Sudan, and Southeast Asia is controversial.

SOVIET TRANSNATIONAL TERRORISM

Terrorism, for purposes of this report, is public, repetitive violence or threats of violence that strive to achieve sociopolitical objectives by inspiring widespread fear among people not personally involved and by disrupting community routines so severely that compliance with terrorist demands becomes preferable to further disorder.* U.S. policy spurns terrorism of any type, although past and present association with repressive regimes that terrorize their own citizens (such as those of Somoza, apartheidists in South Africa, and the Shah of Iran) fuel false Soviet claims.76/

Some observers brand Soviet participation in, and control over, an international terror network that does the Kremlin's bidding, but most are more cautious, because alleged activities all are covert or clandestine and thus hard to prove.77/ William J. Casey, speaking as Director of Central Intelligence, concedes that, "to give the devil his due, we have seen only indirect evidence" of more than modest monetary and logistic support for selected individuals and subnational groups. Governments that sponsor terrorism as a matter of state policy receive somewhat more assistance (Casey singled out Libya and Syria as illustrations. President Reagan recognized four other "outlaw states" until recently: Iran, North Korea, Cuba and Nicaragua; he excluded Syria for political reasons, although it remains on the State Department list, and seems to be amending his position.)78/

Support for de facto proxies seems consistent with Soviet ideology.79/ Soviet forces remain in the shadows, while surrogates they train help instruct transnational terrorists, supply them difficult-to-detect arms, equipment, and intelligence, plus false documents to mask movements and conceal true identities, then provide safe havens after missions are complete. The Kremlin "and its allies have thus discovered a highly 'cost-effective' way of making the point that in today's world it is not safe to practice democracy," is the way William Casey puts it.80/ The aim in each case, he believes, is "to undermine our values, shatter our self confidence, and ultimately destroy our way of life."81/

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* Section 1B(5), Annex A summarizes the essence of transnational terrorism and compares it with intranational applications.

U.S. citizens and installations overseas are relatively "soft," yet lucrative, targets of great propaganda value. Terrorist attacks in the United States are less frequent and intense, but the potential for escalation is present.

INTERNAL DEFENSE

Internal defense, as opposed to FID, includes all measures a government takes to forestall or defeat insurgencies or transnational terrorism on its own territory or against its assets elsewhere. U.S. and Soviet problems, policies, and practices vary greatly for several reasons.

SOVIET INTERNAL SECURITY

Soviet attention to internal defense, reflected in immense KGB and MVD forces, makes it most difficult for outsiders to infiltrate and for insurgents or transnational terrorists to get a foothold, much less flourish. Informers everywhere operate freely. Strangers are easily recognized and subject to close surveillance in that closed society, which imposes severe limitations on assembly and travel. "House calls" by secret police round-the-clock, search and seizure on slight suspicion or whim, trumped up charges, incarceration without habeas corpus, false witness, torture, and summary execution are standard practices. State-controlled media, which report only what told, never reward rioters, rebels, or terrorists with publicity that could help their cause.82/

No authoritative Sovietologist foresees any significant change in that system, which serves internal security purposes very well, despite occasional lapses of little strategic significance.

U.S. COUNTERTERRORISM

Transnational terrorism has seriously concerned U.S. security officials since the late 1970s. Interest in counterterrorism,* which intermittently attracts more attention than any other U.S. special operation, currently is at a peak, because incidents are increasing in numbers as well as intensity. Almost half involve U.S. personnel, property, or both.83/

U.S. counterterrorism forces described in Chapter 2 are developing tactical capabilities that individually, and to a lesser extent collectively, improve progressively. Optimum performance, however, awaits better employment strategies.

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* Section 1 B(5), Annex A illuminates elements of counterterrorism.

Declaratory Goals and Guidelines

The Reagan Administration has retained most counterterror goals and policy guidelines that President Carter openly and explicitly prescribed. Deterrence, and damage limitation if preventive measures fail, both are important components. The range of response embraces all legal methods, but rules out concessions and bargaining with terrorist blackmailers. Collective security, in collaboration with friends and allies, is preferable to unilateral action, and often is critical to success.84/

One amendment, however, is immensely important. Present U.S. counterterror policies emphasize force far more than those in the past decade. Punishment of perpetrators and sponsors for deterrent purposes is a much higher priority. National Security Decision Directive (NSDD) 138 (since replaced by NSDD 207), which President Reagan signed on April 3, 1984, reportedly supplements reactive operations with "pro-active" options as a form of self-defense. Preemption may replace retaliation, provided timely intelligence indicates terrorist intent to attack and U.S./allied planners frame suitable ways to forestall them. Secretary of State Shultz, in a speech before the Trilateral Commission that same date, seemed to reflect NSDD-138, when he declared traditional defense inadequate against terrorist warfare, and proposed more positive steps.85/

Conceptual Disputations

Some of the Executive Branch policies just described are widely respected. Others are in dispute. Gaps between principles and practice will persist until reconciliations take place.

Fixed Versus Flexible Policies

Terrorists "design their attacks to take place . . . where the challenge will not bring with it an obvious or clear-cut choice of response." U.S. policies consequently should "have an element of unpredictability and surprise. And the prerequisite . . . must be a broad public consensus on the moral and strategic necessity of action," because "there will not be time for renewed national debate after every terrorist attack."86/

Those opinions, expressed by Secretary of State Shultz, seem to contradict some U.S. declaratory policies, which critics claim are unrealistically restrictive. "No concessions" to terrorist demands, for example, may strengthen deterrence by promising to make hostage-taking and abduction non-profit enterprises, but that avowal, if applied literally, rules out compromise, which might be wiser than noncompliance in many situations. Refusal to ransom the Secretary of Defense or JCS members could jeopardize U.S. secrets on a catastrophic scale. It would take steel nerves for Congress and the Executive Branch to ignore reliable reports that terrorists had seeded the Empire nuclear weapon. Some knowledgeable observers believe that vows never to negotiate are counterproductive for additional reasons. U.S. leaders lose credibility when they relax that rule under duress or pretend that no interchange took place, even though press, radio, and TV announce differently. Another dilemma derives from official policy that puts hostage safety first. Hijackers and other terrorists, who know the risk of fatalities among hostages and spectators is highest during armed rescue operations, might be more impressed by threats of force, if U.S. guidelines were less firm.87/

Disputes about fixed versus flexible policies doubtless will continue. No "broad consensus," however, could "preclude debate after every terrorist attack," because most countermeasures require unique solutions, which must be judged case by case on respective merits. That is why some students of the subject, like Shultz, value "unpredictability and surprise," and object to predetermination, although they also understand that too much flexibility may be as big a liability as too little. Serious problems, for example, ensued with Congress and U.S. allies when the press in November 1986 reported that the Reagan Administration, notifying neither, had ransomed hostages in Lebanon by secretly relaxing long-standing embargoes on arms to Iran.88/

Force Versus Nonviolence

Neither terrorists nor sponsors would have any incentive to desist, if fruits were cost-free.89/ Critics of U.S. policy concede that countermeasures should include armed action in certain circumstances, but relative roles of force and nonviolent means nevertheless remain under review. Some tradeoffs are self-evident. Political and economic pressures, for example, generally are pointless against subnational groups but, properly applied, can pain states that supply arms, equipment, and sanctuaries. Firepower may be mandatory when time is the dominant factor. Pinpointing the most appropriate option or combination, however, is a complex process in most instances.

Political tacks to avenge atrocities and prevent repetition span a spectrum of possibilities. The lower end of the escalation ladder includes steps to limit normal contacts with states that sponsor or sustain transnational terrorism; restrict movement by their representatives in the United States; suspend selected programs, such as education and training; and deny entry to (perhaps deport) their citizens. U.S. leaders may abrogate treaties, close offensive embassies to prevent misuse of diplomatic immunity, revoke favored nation status, or sever relations, if additional clout is required. They also could, as the ultimate unilateral political escalation, withdraw recognition entirely, depriving offenders of rights normally available under U.S. law. Psychological campaigns that expose culprits to public censure and encourage the international community to curb connections could supplement any foregoing option or help foster dissidence against renegade governments.90/

Economic sanctions send equally unmistakable messages to nations that nurture terrorists. Restrictions on trade (especially boycotts and embargoes), foreign assistance, technology transfers, export credits, tourism, capital transactions, and access to commercial facilities, including ports and airfields, are among the most common penalties open to the President. The economic equivalent of quarantine theoretically is possible, if other countries cooperate but, as Shultz discovered, "too often [friends] are inhibited by fear of losing commercial opportunities or fear of provoking a bully." Unilateral U.S. sanctions against Libya, Nicaragua, and (in the past) Iran have been less satisfactory than expected. Congress rebuffs proposals to prosecute U.S. citizens who traffic with states that assist terrorists, partly because associated legal tangles are mind boggling. Would U.S. businessmen, for example, break the law if they dealt with Saudi Arabia, which bankrolls the Palestine Liberation Organization? Reliable answers to such questions are nonextant.91/

Nonviolent means of countering transnational terrorism never occur in a vacuum. Employers can damage allies and innocent bystanders along with themselves, perhaps worse than intended targets, unless they think moves through thoroughly beforehand. Force consequently may sometimes be preferable.

Debates About Deterrence

Continued development of U.S. counterterror policies will depend a great deal on the dynamics of deterrence, which are dimly perceived.92/ It is true, as CIA analysts indicate, that "terrorists are not chess masters. They are opportunists. Many operations are mounted because they are within the range of the possible, and many . . . are abandoned because the difficulties become too great." Even so, U.S. strategists cannot explain why terrorist groups exploit known capabilities so sparingly and are so circumspect about escalatory options that include chemical, biological, and (possibly) low-yield nuclear weapons.* Deterrent concepts, unlike those at strategic and theater nuclear levels, can be tested and improved by trial and error, but perplexities nevertheless are immense.

Deterrence that eliminates causes instead of symptoms is particularly elusive. Political, economic, and social reforms, which deflate genuine grievances, help eradicate insurgencies, by convincing a popular majority that government programs are preferable to rebel promises. Winning hearts and minds, however, is less salutary as a counterterror tool. Reforms, at best, may limit terrorist constituencies, undermine claims to legitimacy, and reduce the reservoir of recruits, but rarely placate intractable terrorists, who use violence as a stepping stone to power. Negotiated compromise that offers some satisfaction to opponents customarily is anathema, although terrorists approve the process, since it publicizes their purpose and vests them with status equal to beleaguered governments, which share blame if bloodshed continues. Few rewards short of total success consequently motivate them to relinquish privilege.93/

Tactical deterrence to discourage terrorists and supporting states creates additional dilemmas. Some

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* Section 1B (4), Annex A lists many terrorist implements, some of which are little used.

U.S. spokesmen, who tout "swift and sure" punishment as a deterrent, laud Israel as "a model of how a nation should . . . balance law and justice with self-preservation." Disbelievers prefer the British approach, which "has kept [better] faith with humane principles and practices that are our common heritage" (see the following subsection for further discussion of "active defense"). No one has yet devised any reliable way to deter suicidal terrorists, who welcome death. Deliberately overstated declaratory policies probably strengthen nuclear and conventional deterrence, by increasing uncertainties in rival camps. Experience conversely indicates that strong rhetoric by senior officials not only increases terrorist prestige, but may provoke inimical response, unless the government matches means and will with its words.94/

Intensive basic research by knowledgeable individuals and organizations must precede elimination or alleviation of such problems. Incremental improvements to U.S. counterterror deterrent policies and programs are more likely than early resolution.

Advisability of Active Defense

A sizable school of thought, whose adherents include Secretary of State Shultz, contend that U.S. response to terrorist atrocities "should go beyond passive defense to consider . . . active prevention, preemption, and retaliation." The Secretary of Defense and other senior U.S. officials seem less certain, partly because such acts can be construed as aggression, and the glare of publicity makes penalties for failure severe under the most favorable circumstances.*95/

Who to hit, how to hit them, and what to hit them with generates disagreements, even among staunch supporters of armed reprisal, because easy choices are in short supply.

It is tempting to blame states that furnish safehavens from which terrorists launch assaults and return. Reasonable proof of large-scale complicity is relatively easy to acquire, and vulnerabilities are evident. Bombardment is one option, but expensive, and collateral damage is nearly unavoidable, because terrorists with scant concern for human life habitually locate in cities. Many observers therefore believe that blockades are better, or prefer the "scalpel" of special operations to conventional cudgels. Results, however, are hard to predict. Ripostes by countries attacked may be painful, their control over terrorists they harbor is tenuous, and wholly independent radicals elsewhere may involve themselves without invitation.96/

U.S. decisionmakers also must calculate risk-versus-gain ratios carefully, taking all known opponents

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* Retaliation makes terrorists pay in some way for previous attacks. Timing is important. The so-called "window of popular support" varies with provocations. Hot pursuit normally is preferable to lengthy delays. Preemptive strikes, launched on evidence that attacks are imminent, try to beat terrorists to the punch. Preventive operations are launched on evidence that attacks are inevitable, but probably not imminent; waiting would increase risks.

into account, when they try to neutralize individual terrorists and small groups. Intelligence problems make that process incredibly complex. The clandestine nature of terrorist operations, which target an infinite variety of victims at random times and places, reduces the value of early warning indicators. Professional police work helps, but informants are scarce, attempts to penetrate small, paranoid cells is a time-consuming, perilous occupation, and payoffs are constrained, unless "plants" in command/control elements expose top terrorists. Otherwise, as one former CIA station chief put it, "all we find is one guy named Mohammed and another guy named Abdul." Tight restrictions on U.S. agents, legal limitations on HUMINT, and reluctance of allies to collaborate because U.S. "leaks" compromise their sources magnify difficulties immensely.97/

Proper disposition of terrorists we do corner complicates final decisions. Apprehension, followed by public trial and imprisonment, respects due process, but compounds problems when associates outside seek to "liberate" them. Some students of the subject consequently contend that "the only good terrorist is a dead one;" killing, as they see it, is cost-effective and forever deters every deceased. Pro-con appraisals should precede each choice.*98/

Value of Passive Defense

Passive defense of Americans and their property against terrorism at home and overseas creates controversial issues, because costs, calculated in terms of operational flexibility as well as funds, are severe.

Public education programs that increase alertness, reductions in force to reduce risks at vulnerable sites, and simple steps by key individuals to vary travel times, routes, and other routines are inexpensive ways for the U.S. Government and private sector to upset terrorist plans, but most measures cost money. Businesses behind an explosive growth of gadgets, such as bullet-proof glass and hydraulic barriers, pass development costs to consumers. Commercial security firms find a multi-billion dollar bull market that continues to expand. It is possible to convert Capitol Hill, the Pentagon, State Department, embassies, official residences, military bases, and other critical installations into fortresses, but budgets would balloon, mission effectiveness and America's image as a free society would sag, and terrorists could gloat over partial success. Secondary targets (cultural centers, attachés) and isolated targets (water and power distribution points) would still be exposed. The question, "How much is enough?," remains unanswered.99/

Hostage rescue, which combines offensive tactics with passive defense, is the hardest mission to accomplish, whether captives are held aboard aircraft or ship, are barricaded in buildings, cached in safehouses, or incarcerated in stockades.** Basic U.S. objectives and policies are specific,100/ but separate incidents within each category demand individual treatment that depends on many strategic and tactical variables. Researchers, who hope their findings will help U.S. officials review options and expedite decisions when crises occur, have scarcely scratched the surface.

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* Section 2B, Annex A covers "surgical" antipersonnel strikes, including assassination, abduction, capture, and termination.

** See Section 2D, Annex A for essentials of hostage rescue.

Past and Projected Performance

Transnational terrorists thus far have tested U.S. countercapabilities only slightly. American performance since the late 1970s reflects more bumbles than brilliance.

The FBI reportedly foils a significant number of terrorist acts annually,101/ and "Bull" Simon, backed by H. Ross Perot rather than the U.S. Government, rescued hostages from Teheran in 1980.102/ Foreign policy embarrassments, however, followed two tactical successes in October 1985: President Reagan reneged the day after he publicly approved Israel's bombardment of PLO bases in Tunisia, a U.S. friend;103/ the in-flight interception of Achille Lauro hijackers aboard an Egyptian airliner strained relations with other U.S. allies.104/ The Desert One raid to rescue hostages in Teheran (1980)105/ and obliteration of a Marine barrack in Beirut (1983)106/ were spectacular failures. No one at this stage can be certain whether long-term effects of the April 1986 U.S. air raid on Libya107/ and subsequent saber-rattling108/ served American interests well.

Future U.S. counterterror capabilities depend on steps to strengthen the control structure, settle conceptual disputes, lift the most debilitating legal limitations,109/ and tighten links with allies.110/ Prognoses based on dissimilar assumptions about "progress" in such respects variously predict improvement, impairment, or project straight lines. All seem premature.

MID- AND HIGH- INTENSITY CONFLICTS

Neither U.S. nor Soviet special operations establishments as currently constituted have much experience in mid- and high-intensity conflicts,* but every employment mode and skill discussed in foregoing sections has utility.

Soviet preparations apparently concentrate on special reconnaissance, plus direct action missions in enemy rear areas to "decapitate" decisionmakers; delay, deceive, and disorganize forces in reserve; neutralize nuclear delivery systems and weapon stockpiles; control bottlenecks; disrupt communications; and otherwise expedite breakthroughs by the main military body. Internal security probably would tighten even more than at present, to prevent resistance movements and insurgencies from increasing vulnerabilities in non-Soviet Warsaw Pact states, as well as at home. Strong psyop support for offensive and defensive operations is preordained. Marked limitations include uneven SOF quality and the absence of specialized aircraft for clandestine infiltration, but the establishment is large enough to remain combat effective after absorbing severe manpower and materiel losses.111/

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* Section 1a, Annex A outlines the nature of mid- and high-intensity conflicts in relation to special operations. The last U.S. experience was in Vietnam. Soviet SOF have not been exposed to combat on a similar or greater scale since World War II.

Understrength U.S. Army and Air Force SOF are too few and poorly equipped to make comparable contributions in a high-threat environment. One Ranger regiment, organized and trained for combat by battalions and companies, could not remain effective long, if personnel and hardware losses, as anticipated, were large. They probably would suffer the same fate as World War II predecessors in Europe, which accomplished "impossible" missions after taking frightful casualties, then were erased from the rolls. Special Forces are numerous enough for unconventional warfare against the Warsaw Pact, other socialist states, and certain Soviet Socialist Republics where minorities prevail, but abilities to elude security long enough to take root are suspect, and air power for clandestine support is insufficient. SEALs are in better shape. Psyop is not.

Soviet special operations posture for mid- and high-intensity conflicts, in sum, is somewhat better than that of the United States.

Chapter 4

U.S. PROBLEMS AND OPTIONS

No recapitulation of U.S. special operations problems would be complete without reference to root causes. This chapter therefore identifies the most pervasive, before it summarizes salient deficiencies and reviews remedial options. Entries in each instance are representative, rather than comprehensive.

CAUSE/EFFECT RELATIONSHIPS

Virtually every U.S. macro command/control, planning, and SOF posture problem derives mainly from misunderstandings. Few members of the U.S. Government and military establishment fully appreciate special operations threats, capabilities, limitations, and relationships with the rest of our security apparatus. Even key SOF officials, who advise them, misplace some priorities. Mismatched ends and means thus are common.

COORDINATION PROBLEMS

Horizontal and vertical command/control problemsin this field persist at the top, partly because reliable connections between Congress and the Executive Branch are faulty; no special operations element is empowered to issue and enforce interdepartmental/interagency guidance; none is responsible for collaboration with allies, whose participation in UW, FID, and actions to counter transnational terrorism are inseparable from our own; linkage between U.S. national, state, and local participants is very loose. Voluntary cooperation invites internecine competition and inadvertent oversights.

PLANS AND OPERATIONS PROBLEMS

Misconceptions about special operations, coupled with hodgepodge organization, inhibit sound plans and operations. Objectives, threat assessments, policies, and priorities fit together poorly and change capriciously. Successful operations often depend on close collaboration between SOF and general purpose forces, but connections are nebulous. Important requirements, as a result, routinely fall through cracks. The difference between declaratory statements and performance undercuts U.S. credibility.

Planners and operators repeatedly work at cross-purposes. The State Department and Pentagon, for example, openly debate the utility of military power for assorted special operations. Foreign aid appropriations contradict stated preference for low UW and FID profiles. So do counterterror targeting policies that permit air strikes on cities, but prohibit selective attacks on individuals. The artificial distinction between military special operations and civilian special activities confuses covert/clandestine issues. America's media, fed by security violators, make it virtually impossible to keep secrets very long.

Peacetime deployments for administrative purposes conflict with planned employment. The 5th Special Forces Group, to cite one instance, recently moved to Fort Campbell, Kentucky, miles from the nearest desert, although its area of responsibility in the Middle East is bone dry. JSOC components, ensconced in the United States where they normally may not operate, are positioned poorly to influence short-fuse counterterror actions elsewhere.

PROGRAM AND BUDGET PROBLEMS

Providing SOF a separate budget, as recently required by law, will solve few problems, as long as funds expended support shaky plans. The proper proportion of active SOF to reserve components remains unresolved. Both are understrength and depend extensively on conventional hardware that never was designed for isolated special operations, which demand low maintenance along with high reliability.

Priorities for improvement are suspect. Programmers, for example, put a premium on expensive aircraft and boats that would be most useful for clandestine infiltration/exfiltration during mid- or high-intensity conflicts and for unconventional warfare against sophisticated foes, such as Vietnam, North Korea, and the Warsaw Pact. DOD planners, however, consider such contingencies a slim possibility. Those same officials slight HUMINT and psyop, which could be helpful across the full spectrum of hot and cold war competition.

Personnel policies that prohibit stabilized assignments prevent active UW, FID, and psyop specialists from attaining required cultural expertise, including language proficiency, in respective areas of responsibility. Reserve counterparts, which forward deploy rarely for short periods, are less qualified in that respect. Computer-assisted personnel officers who pick SOF to train foreign nationals rarely realize that aptitudes and enthusiasm for that specialized assignment are just as important as professional skills. Square pegs in round holes result.

OPTIONS FOR IMPROVEMENT

The "best" way to strengthen U.S. special operations posture is a subjective matter.1/ Options are profuse, and often complex. Some are susceptible to unilateral implementation by the Executive Branch. Congress must legislate others.

Options below are illustrative starting points for improvement. U.S. leaders probably should consider alternatives carefully, before they approve proposals that overlook standards described.

STRENGTHEN STRUCTURE

Steps to strengthen U.S. special operations high command/control structure seem advisable at three levels: national staff, OSD/JCS staff, and a military SOF command.*

A small staff, perhaps appended or reporting to the National Security Council (NSC), could ensure close and continuous special operations coordination between the Executive Branch and Congress, between top-level special operations elements in the Executive Branch, and between country teams and U.S. allies. Its director might be vested with authority to:

-- Act as the President's representative dealing with Congress on interdepartmental, interagency, and international special operations matters.

X -- Issue interdepartmental/interagency special operations planning and programming guidance, then ensure compliance.

-- Set interdepartmental and interagency standards, coordinate, and supervise resultant policies, plans, programs, and activities worldwide.

Whether OSD and JCS staffs remain separate or merge, more rank and better access to the Secretary of Defense (SECDEF) and Chairman of the Joint Chiefs of Staff could enhance effectiveness. Whoever directs the OSD or consolidated staff might be vested with authority to:

-- Conduct liaison with Congress on special operations matters.

-- Act as the SECDEF's representative for interdepartmental, interagency, and international special operations coordination.

-- Issue special operations planning and programming guidance to all military services, then ensure compliance.

X -- Set standards, coordinate, and supervise resultant policies, plans, programs, and activities throughout the Department of Defense, including SOF/non-SOF relationships.

The commander of a special operations headquarters to focus efforts of Army, Navy, Air Force, and Marine Corps SOF might be vested with authority to:

-- Exercise operational command over all military SOF in the Continental United States (CONUS), including joint training, readiness, and deployment planning.

-- Plan for and, with requisite approval, employ military SOF in CONUS for counterterror and/or counterinsurgency purposes.

-- Pass operational command of selected SOF to regionally-oriented unified commands as directed.

-- Coordinate with regionally-oriented unified commands concerning all aspects of special operations, including employment in their areas of responsibility.

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* Items marked "X" indicate organizational options that recent amendments to Title 10, United States Code, addressed only indirectly, incompletely, or not at all.

X Quality control is an essential aspect of planning, programming, and budgeting, but few participants in those processes are able to critique their own products objectively. Built-in biases and bureaucratic blinders are typical impediments. Periodic inspection of U.S. special operations by an impartial board of professionals thus seems a sensible option.*

STRENGTHEN UNDERSTANDING

No amount of restructuring could strengthen U.S. special operations much, unless top civilian and military leaders, plus respective replacements, become better informed about purposes, capabilities, and limitations. A case consequently exists for formal and informal education programs, short-term as well as long, tailored, for example, to influence the following audiences:

-- Applicable departments; agencies; congressional members and staff; communications media.

-- JCS; military services; CINCs and staffs of unified commands.

Amateurs, professionals, theoreticians, and practitioners all could help, individually and in groups that include service schools/colleges and "think tanks." Personal consultation, open publication, radio/TV programs, and conferences are among many available forums.

Basic education on special operations in turn requires better research on related subjects. Lessons learned from systematic dissections of successes, failures, and contrasting styles would help U.S. planners most, if accompanied by cause/effect connections and reasons why any particular experience is (or is not) transferable to a different time and place. Hitler's brutal treatment of recalcitrant Soviet citizens, for example, turned widespread tendencies toward insurgency into resistance that conceivably cost him victory in World War II. Would the same Soviet minorities defect today under similar conditions?

Ten special operations topics, in no particular order of priority, exemplify fundamental studies that U.S. analysts, armed with historical and contemporary precedents, might undertake to capitalize on past accomplishments and avoid repeating past mistakes:

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* Complete impartiality is difficult for the Special Operations Policy Advisory Group (SOPAG), which is partly staffed with OSD officials. It is chaired by Lawrence Ropka, Jr., the Principal Deputy Assistant Secretary of Defense for International Security Affairs. Members are R. Lynn Rylander, his deputy; George T. Talbot, the Executive Secretary; retired Army Generals Edward C. (Shy) Meyer and Robert C. Kingston; retired Army Lieutenant Generals Samuel V. Wilson and William P. Yarborough; retired Air Force Lieutenant General Leroy J. Manor; retired Army Brigadier General Donald D. Blackburn; and Richard H. Shultz, from Tufts University. Retired Army General Richard G. Stilwell, Special Assistant to the Secretary of Defense, and Army Major General Thomas W. Kelly, who is Director, Joint Special Operations Agency, are not official members, but always are invited.

-- Merits of fixed versus flexible policies.

-- Proper interface between strategies and tactics.

-- The dynamics of deterrence in connection with transnational terrorism.

-- Optimum "peacetime" deployment of JSOC components.

-- Strategic targeting doctrine for special operations.

-- Relationships with allies in various special operations environments.

-- Special operations in sensitive, heavily defended zones.

-- Special operations under polar icecaps.

-- Special operations in space.

-- American media support for special operations.

Products of such research would help the U.S. special operations community, including segments of Congress, first to evaluate apparent policies, plans, programs, and performance of any given country, coalition, or extranational participant, then prepare net assessments that compare the capabilities, limitations, vulnerabilities, opportunities, and prospects of any given opponents.2/

STRENGTHEN FORCES

A separate budget for the new DOD special operations unified command seems salutary, but SOF cannot be properly strengthened merely by spending more money. Revised justification for special operations force quantities and characteristics is required. The key question is, "How much of what (active, reserve, SOF, non-SOF) is needed how fast in what order of priority to accomplish essential special operations missions in cost-effective fashion?" Some equipment understrengths, such as MC-130 Combat Talons and HH-53 Pave Lows, may be overstated. Some functional understrengths, particularly psyop and HUMINT, probably are underrated.

SOF quantity at the expense of quality, in turn, is counterproductive. Initial personnel selection standards should be stringent, because perfect organizational structure, superlative training procedures, stable assignments, and strong incentives (such as promotion opportunities) cannot produce high-caliber performance from poor raw materials. Neither is it possible to create competent SOF after emergencies occur. The process takes time.

Actions to correct JSOC maldeployments, and thereby expedite employment overseas, would strengthen U.S. counterterrorism capabilities considerably. Prepositioning small, self-contained packages in selected U.S. unified commands is one option worth exploration. Similar redisposition of other SOF, such as the 5th Special Forces Group, with particular attention to better area orientation, would reduce response times and improve operational performance. Task organizing, training, and equipping Ranger companies to function as teams suitable for rear area attacks on scattered, high-value, and time-sensitive targets, in a style similar to Soviet Spetsnaz, could enhance U.S. direct action options at little added expense.

Chapter 5

CONCLUDING COMMENTS

The Soviet special operations kit bag contains a diverse set of tools. Some are sharper than others, but all are serviceable and ready for use with what seems to be scant reservation, whenever so doing serves Politburo purposes. Low-cost, low-risk "peacetime" employment proceeds on a grand global scale, sometimes assisted by de facto proxies. Preparations to compete at every other level of the conflict spectrum continue. There are no noticeable crash programs, but neither is there any sign that consistent concentration on special operations will soon slacken.

The full significance of Soviet efforts is difficult to assess, because the record is incomplete. "Peacetime" covert/clandestine operations become public only if they fail or long after they succeed. Afghanistan thus far is the sole large-scale test of "wartime" performance. Some U.S. and allied appraisals, as a result, probably please Soviet propagandists, by inflating present and projected capabilities. Appraisals that take them too lightly probably please Soviet planners. The combination of "sleepers" and Spetsnaz "surgical" teams designed to disrupt rear area security, however, clearly bears close surveillance. Evidence concerning quantities is uncertain and quality surely is uneven but, at best, potential threats to U.S. and allied security would be serious, even if officials divided prevailing estimates by ten. At worst, Spetsnaz and "sleepers" might cripple opponents as the opening move in a high-intensity war, without Soviet resort to nuclear weapons.

U.S. complacency and inconsistent support for special operations seem inadvisable, given those and lesser capabilities of the Soviet Union, its associates, and other unfriendly forces. This country cannot efficiently help resistance movements reverse socialist revolutions around the world, prevent further encroachments that adversely affect U.S. interests, or deal professionally with vindictive governments and subnational groups that could terrorize the United States, if we cede special operations initiative and fail to develop adequate deterrent/defense postures. The world's best SOF, however, would be of little value, if all projected improvements were completed and U.S. leaders fully appreciated their potential, unless national consensus on appropriate use emerges.

ANNEX A

THE ESSENCE OF SPECIAL OPERATIONS

> "I don't think they play at all fairly," Alice began in a rather complaining tone, and "they don't seem to have any rules in particular; at least, if there are, nobody attends to them--and you've no idea how confusing it is . . ."
>
> Lewis Carroll
> Alice in Wonderland

Special operations forces (SOF) with unusual, occasionally unique, skills are designed to undertake unorthodox security tasks that ordinary organizations could accomplish only with far greater difficulty and far less effectiveness, if at all. Irregular warfare is their forte, including insurgency/counterinsurgency, transnational terrorism/counterterrorism, associated psychological warfare, and "surgical" strikes deep in enemy territory. Procedures and training are mainly nonstandard, whether commitment occurs during periods of pseudo peace or in armed combat.

Military, paramilitary, and civilian SOF units are small, and ideally are manned with hand-picked, distinctively-prepared personnel. Independent employment is confined to selective cold war confrontations and certain low-intensity conflicts, but SOF may support conventional, nuclear, chemical, and biological capabilities during high-, mid- and low-intensity hostilities. Overt, covert, and clandestine operations for deterrent, persuasive, coercive, and war fighting purposes mix force with fraud and finesse at every level of competition. The best blend depends on missions and circumstances. Actions that disable people or damage property produce fast tactical effects, but ultimate accomplishment of strategic aims normally depends on cumulative, sustained efforts.

Offensive special operations, which customarily avoid decisive conflict, are low-cost, potentially high-payoff assaults on physical and psychological targets, when alternatives appear inappropriate or infeasible. Subversion, sabotage, disinformation, and rear area raids are representative. Defensive operations also require rare talents and techniques. Escape, evasion, rescue (hostages, prisoners of war), and recovery (captured materiel, documents), for example, are tricky endeavors.

Concepts, policies, plans, programs, and employment practices at every level of conflict are so unlike conventional operations that the uninitiated often liken them to Alice playing croquet on the Queen's crazy court. There are "rules," however, rather different than run of the mill and hard to recognize. Those who perceive them have a keen advantage over those who do not.

This short treatise explains special operations as simply as possible, in generic terms, without addressing U.S. policies, apparatus, or performance. Documentation refers readers to sources for further study. Three figures with a common format illustrate the bonding between special operations tasks, skills, and forces.

Section 1

SPECIAL OPERATIONS ENVIRONMENTS

Special operations constitute a potpourri of active and passive tasks that variously serve offensive, defensive, and deterrent purposes in every environment (Figure 15). The list includes lethal and nonlethal entries. Some have limited utility. Others are useful across the spectrum, from cold war through low-, mid-, and high-intensity conflicts. Hyperspecialization is confined to a few tasks, such as hostage rescue, but even the most conventional--economic and military assistance, for example--have unconventional twists and require scarce skills.

A. HIGH- and MID-INTENSITY CONFLICTS

Any future high- or mid-intensity conflict that pits the United States against the Soviet Union or either of them against a heavily-armed third party on the scale of World War II or Korea (1950-1953) is likely to feature uniformed forces employed in traditional fashion, whether combat remains conventional or involves nuclear, chemical, and biological weapons. Military battlefields, rear areas, combatants, and noncombatants will be identifiable.

Special operations tasks in those contexts primarily assist regular military efforts by physical and psychological means in ways that delay, deceive, disorganize, and otherwise disrupt enemies. Irregulars may act as important "force multipliers," by diverting enemy attention and additional combat power. French resistance movements, for example, made life miserable for German occupation troops before and after Allied forces landed in Normandy. Partisans of various nationalities performed parallel functions on the Eastern Front.

B. LOW-INTENSITY CONFLICTS

Five types of conflict are low-intensity from U.S. and Soviet perspectives. The first includes small-scale replicas of warfare just described, on the level of recent U.S. combat in the Dominican Republic (1965) and Grenada (1983). Insurgencies, counterinsurgencies, transnational terrorism, and counterterrorism are quite different. Irregular forces and procedures play paramount, rather than supporting, roles; battlefields, rear areas belligerents, and bystanders all are ill-defined.

(1) Mainly Conventional Actions

Mainly conventional conflicts of low intensity historically establish tacit limitations on political objectives, military aims, weapons,

Figure 15

SPECIAL TASKS ACROSS THE CONFLICT SPECTRUM

	COLD WAR	LOW INTENSITY					MEDIUM INTENSITY	HIGH INTENSITY
		INSURGENCY	COUNTER INSURGENCY	TRANSNATIONAL TERRORISM	COUNTER TERRORISM	MAINLY CONVENTIONAL		
Direct Action 1/								
Assassination		X		X			X	X
Abduction		X		X			X	X
Hostage Taking		X		X				
Random Killing & Maiming		X		X				
Sabotage		X		X		X	X	X
Capture 2/			X		X			
Termination 2/			X		X			
Ambushes 3/		X	X			X	X	X
Raids 3/		X	X		X	X	X	X
Rescue								
Hostages					X			
Military POWs			X				X	X
Indirect Action								
Psychological Operations	X	X	X	X	X	X	X	X
Subversion	X	X	X	X	X	X	X	X
Military Assistance 4/ 5/	X	X	X	X	X	X	X	X
Economic Assistance 4/ 6/	X	X	X	X	X	X	X	X
Reform 7/	X		X		X			
Intelligence 1/ 8/								
Unique Reconnaissance 9/		X	X	X	X	X	X	X
Unique Surveillance 10/		X	X	X	X	X	X	X
Target Acquisition								
Key Personnel 11/		X	X	X	X			
Critical Weapons 12/						X	X	X
Survival 1/								
Infiltration 13/	X	X	X	X	X	X	X	X
Exfiltration 13/								
Preplanned		X	X	X	X	X	X	X
Search & Rescue		X	X			X	X	X
Escape & Evasion		X	X	X			X	X
Personal Security 14/		X	X	X	X	X	X	X
Site Security		X	X	X	X	X	X	X
Public Education			X		X			

1/ Excludes low-priority employment elsewhere in the conflict spectrum.

2/ Term refers to "surgical" antipersonnel operations against transnational terrorists and key insurgents.

3/ Operations by military and paramilitary formations.

4/ Assistance from outsiders to allies or other associates.

5/ Includes weapons, equipment, construction, advice, and training.

6/ Includes nation-building and civic action.

7/ Reforms may be political, economic, social, or some combination.

8/ Indicates special operations output, rather than intelligence requirements.

9/ Such as clandestine reconnaissance of submerged beach defenses.

10/ Such as clandestine surveillance using sensors.

11/ Penetration of terrorist and insurgent cells is one important method.

12/ Mainly nuclear, chemical, and biological weapons.

13/ By land, sea, or air, individually and by units.

14/ Excludes martyrs and suicide squads

targets, force characteristics/quantities/deployments, geographic boundaries, and allowable escalation. Those restrictions, however, do not rule out symbolic or exemplary employment of nuclear weapons and chemical warfare. One or two tactical nuclear "shots across the bow," for example, might inhibit escalation (even terminate armed action) without any casualties or damage on either side. Special operations tasks in any event parallel those for high- and mid-intensity hostilities.

(2) Insurgency/Resistance

Insurgencies are attempts by citizens--military, civilian, officials, laymen in any combination--to overthrow established orders (not necessarily governments) by subversive and coercive means.1/ Special operations are most prominent in planned, protracted insurrections led by skilled activists, who mobilize and manipulate people, then focus resultant power to usurp authority. The ultimate aim of actions directed against indigenous governments usually, although not always, is to replace prevailing political and social structures with radically different systems. Counterrevolutionaries, such as those in Nicaragua and Angola,* and resistance to foreign occupation, currently exemplified by Afghan efforts to oust the Soviets, display similar characteristics.

History confirms that neither political, economic, and social deprivation nor oppressive foreign dictators are enough to incite and sustain insurgencies.2/ Even when conditions become intolerable, headless multitudes remain bound together by blind passion only momentarily, unless clever leaders focus their power on the basic objective, which is to undermine and override the incumbent regime.3/ Sound organization is essential. Full-time, hard core cadres in the illegal underground coordinate and control insurgent movements. Auxiliaries, who lead otherwise normal lives in the community, are part-time members. Combat specialists range from saboteurs and terrorists to propagandists. Others perform supportive functions that include recruitment, indoctrination, training, intelligence, munitions manufacture, transportation, communications, and fund raising.4/ That cadre eventually organizes and controls paramilitary guerrilla units, which intensify and widen the conflict from hideouts in familiar terrain.5/

Most insurgents around the world pursue a three-phase strategy, modified to suit their circumstances: preservation; progressive expansion; decisive power. The process is completely flexible. Different phases characteristically occur concurrently in different parts of an afflicted country. When revolutionaries run into strong resistance they change tactics or retrench, then rejuvenate later.6/

Protracted conflicts benefit insurgents more than responsible governments, because they have a lot less to lose and everything to gain.

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* The Contras, a loose coalition of counterrevolutionaries, oppose the Sandinista government that replaced President Somoza's regime in Nicaragua. Jonas Savimbi heads UNITA, which opposes the Soviet-Cuban backed regime that replaced Portuguese rulers in Angola.

One purpose of violence and subversion is to provoke responses that inadvertently strengthen opposition to the regime and support for the rebels.7/ Special operations tasks, reflected in Figure 15, are largely offensive. Direct action missions get most publicity, but the battle for men's minds is crucial.

Assistance from outsiders is helpful, but not essential. Castro succeeded in Cuba and the National Liberation Front freed Algeria from France with little foreign help. Rebels rely heavily on raids and ambushes to procure small arms, munitions, special items (such as radios and medical supplies), and funds . Civilians, willingly or not, furnish food and shelter. Military aid, particularly modern weapons and unconventional warfare training, nevertheless is most welcome. So is money.8/

(3) Counterinsurgency

Basic counterinsurgency objectives are to deter and, if necessary, defeat rebellions against established authority. Political, economic, social, psychological, and military special operations vary with proclivities of afflicted countries and phases of conflict development.9/

Intelligence concerning the temper of the population is critical for leaders who hope to prevent insurgencies. Authoritarian and totalitarian governments, which rely extensively on informant networks at grass roots, make it difficult for malcontents to remain anonymous very long. Less fearful regimes, which permit freedom of oral and written expression, keep fingers on the public pulse by allowing disgruntled citizens to air grievances openly.10/

Ruthless repression can prevent or control insurgencies for long periods, wherever compassion and ethics receive low priorities. Soviet steps to quash uprisings within their sphere of influence and genocide in Kampuchea are good examples. Even so, force alone can rarely preserve the status quo indefinitely against determined opposition.11/

Democratic counterinsurgents usually try to manage rather than resist change, rally loyal factions, and convert fence straddlers, leaving malcontents without backers or a base. Reforms that reapportion influence and provide equal opportunity for all may alleviate or eliminate rebel causes, if policymakers take appropriate steps early enough and avoid replacing one set of problems with others that are worse.12/ Psychological operations are immensely important.

Those techniques, however, will not suffice, if insurgents are determined to depose a despised government or occupying power. Negotiated compromise in such cases is possible, but improbable; rebel motivations normally are to publicize victory, prevent defeat, or open promising psychological fronts, not to "meet in the middle."13/ Static protection for the populace cedes initiative to the insurgents. Attempts to isolate urban civilians from terrorists and subversives seldom succeed. Rural families that relocate to fortified villages find some security and help shield harvests from insurgents, but the revolution remains intact unless direct offensive action roots out the infrastructure, separates underground from guerrillas, and seals off outside assistance.14/

Support from foreign friends serves best if it begins before insurgency reaches crisis proportions and continues unabated until no longer needed. Military and economic assistance are complementary. The former features weapons, equipment, supplies, and training; the latter generally abets nation building.

(4) Transnational Terrorism

Transnational terrorism is instigated by individuals and small groups, some independent, others in governmental employ. It seeks to intimidate the people and disrupt the routines of neutral as well as hostile nations so severely that beset states eventually avoid further violence by actively or passively helping terrorists achieve their socio-political objectives.15/ Factions that favor a Palestinian homeland, for example, hope that strikes on U.S. and other assets in Europe will put irresistible external pressures on Israel.

Such warfare shares some traits with domestic terrorism, a common tactic of insurgency.16/ Both are weapons of the weak, cheap to concoct and costly to counter. Most perpetrators are politically motivated, although some are mercenaries. None have many scruples about compassion or morality.17/ They attack everything and defend nothing, using death and destruction to spread panic far beyond points of physical impact. Targets are carefully picked to transmit psychological messages that shape public opinion and behavior. Indiscriminate attacks that kill and maim innocent civilians make sense when seen in that light: the aim is to make security forces appear impotent and concessions seem preferable to chaos.18/

Transnational terrorism even so is unique. Participants operate freely in what most dictionaries define as "peacetime." Popular sympathy and support are not essential. Most importantly, transnational terrorism is accurately called the "great equalizer." The mere prospect of hit-and-run raiders playing hide-and-seek without regard for national or regional boundaries can put heavily-armed countries and their exclaves in a virtual state of siege.19/ Success seems contagious.20/

Assassinations, abductions, hostage-taking, small-scale anti-personnel operations, and simple sabotage nevertheless produce few casualties and little damage, compared with common crime. Improved preventive measures help reduce incidents. Terrorists themselves seem to impose constraints. Unlimited violence, followed by widespread public revulsion, might eliminate legal restrictions on counterterror operations and otherwise make it impossible for transnational terrorists to attain political aims.21/

Sophisticated fuses and explosives, automatic weapons with armor-piercing ammunition, portable missile launchers, remote control devices, and other new technologies supplement or supplant Saturday night specials and homemade bombs. Intercontinental transportation is available for fast arrivals and getaways. Satellite communications provide almost instantaneous access to audiences around the world.22/

Opportunities for spectacular escalation are open. Transnational terrorists armed with small nuclear, chemical, or biological weapons would have tremendous coercive power. Even a well-handled hoax could pay off handsomely.23/ Terrorists could shut down modern metropoli without resort to exotic implements. Information storage and transfer sites, transportation nodes (bridges, tunnels, switching centers), and water/power distribution facilities are among the most vulnerable bullseyes. Calamities would ensue, if commerce and commuter traffic ceased, ventilating systems failed, perishable products spoiled, and conditions encouraged looters. Flammable gas in sewers could lift a city off its foundations, if ignited. Nuclear reactors and petrochemical plants are other tempting targets.24/

State sponsorship and support can telescope the time it takes terrorists to become proficient and affords flexibility for those in business. Foreign benefactors who provide safe havens along with expertise and funds further complicate problems for counterterror strategists.25/

(5) Counterterrorism

Counterterrorism incorporates many of the most complex special operations. Deterrence and defense both depend to exceptional degrees on centralized planning, decentralized execution, timely, accurate intelligence, meticulous training, clear rules of engagement, and teamwork that most often involves foreign nationals. Technology is important, but human factors predominate. Tactics and strategy must mesh, or the final result is failure. Israel's eye-for-an-eye and tooth-for-a-tooth tactics, for example, have been widely admired for many years; from a strategic standpoint, however, they leave that nation insecure, by creating terrorists faster than air strikes and hit teams can kill them.

Do nothing is poor policy. So is "do something, even if it's wrong." The best policy may be no fixed policy, to permit maximum flexibility on a case-by-case basis. Long- and short-term tradeoffs complicate the decisionmaking process, because the proper option in any given instance is not always the one most likely to forestall future difficulties. Early ransom for hostages with supersensitive information or concessions to prevent destruction of irreplaceable archives might be advisable, even if so doing sets undesirable precedents.26/ Beyond that, flexible responses probably bolster deterrence, by seeding terrorist camps with uncertainties.

The dynamics of deterrence are less well understood than at any other level of conflict. No one knows why known transnational terrorists use their capabilities so sparingly and with such circumspection.

Nonprovocation sometimes reduces dangers,27/ but terrorists routinely target neutral states to make them take a stand. Internal security precautions that limit terrorist opportunities (and damage, if deterrence fails) appear more promising. Surveillance, inspections, physical barriers, roving patrols, armored automobiles, bodyguards, and public education concerning the full range of problems are among them. Penalties in personal freedom and the gulf between governments and the governed, however, can grow great.28/ Political and economic sanctions, which sometimes prove useful against states that sponsor, support, or tolerate transnational terrorism, are less influential against independent terrorist groups, and usually take intended effect only when several countries participate.29/ Finally, afflicted states may threaten armed force to buttress deterrence but, like barking dogs that never bite, quickly lose credibility, unless they deliver when provoked.30/

Some causes of terrorism, such as Islamic fundamentalism, seem almost incurable. Others require concessions too great for counterterrorists to accept. No known form of deterrence fazes suicidal fanatics, who welcome death.31/ Defenders of states under attack in such cases must decide whether to act or react.

Preemptive and preventive operations* both invoke the right of self-defense. Both also rely heavily on accurate intelligence, which is hard to acquire. Electronic intercepts occasionally help confirm state involvement in terrorist activities,32/ but national leaders still must ascertain what tack seems most suitable. U.S. actions against sites in the Warsaw Pact, for example, would look a lot less attractive than those in Libya. So would forbidden intervention in a friendly country inadvertently involved. "Surgical" strikes are impossible, unless agents pinpoint the perpetrators. It takes time and patience to track down suspects using standard police procedures and separate legitimate informants from crackpots who respond to big bribes. Attempts to penetrate tiny terrorist "cells" are extremely hazardous to health, because cliquish members are exceedingly suspicious of outsiders and stringent tests quickly weed out phonies (random murder is a favorite requirement).33/

Retaliation forfeits initiative, but poses fewer problems than preventive/preemptive strikes. Hot pursuit is easier to justify, identification of culprits is less ambiguous, and allied collaboration is more likely.34/

The latter point is tremendously important, since transnational terrorists, by definition, pay scant attention to territorial boundaries. Multilateral countermeasures in terms of intelligence, sanctions, forces, facilities, and a host of other factors are far superior to those of nations that for any reason act alone.35/

C. COLD WAR

Nonviolent special operations, particularly psyop and preparations for irregular combat, predominate during the war called "peace" (Figure 15). Aggressors infiltrate agents for nefarious purposes, encourage subversion, and engage in other skulduggery designed to weaken rivals from within. Opponents strengthen internal security. Objectives are to develop advantageous (perhaps decisive) positions indirectly at little expense. Brainpower replaces firepower as the foremost implement. Sun Tzu summed it all up nicely in the first known text on the art of war: "to subdue the enemy without fighting is the acme of skill."36/

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* Preemptive operations are intiated when evidence indicates that an enemy attack is imminent. Preventive operations are initiated against known or suspected foes before any such warning is received.

Section 2

SPECIAL TASKS AND SKILLS

Forces assigned special operations tasks must possess special talents and skills. Innate intelligence, physical strength, agility, stamina, and standard training are not enough. Temperaments also must combine resourcefulness, ingenuity, pragmatism, and patience with self-discipline and dependability to extraordinary degrees. Direct action missions in addition demand unflappable personalities (a quality Ernest Hemingway identified as "grace under pressure").

Area orientation is a universal requirement, for psychological warriors as well as those with lethal weapons, whether operations take place on native or foreign soil. Insurgents, for example, are fish out of water away from home territory.* Most SOF must be familiar with local languages (preferably dialects), customs, and landscapes.1/

Even common tasks (Figure 16) call for uncommon skills applied under uncommon circumstances. Any malcontent, for example, can murder or maim indiscriminately, but it takes expertise and meticulous planning to pick proper targets, times, and places, parlay results into political capital, and replicate successful processes repeatedly. Economic and military assistance to stabilize or destabilize situations often must be administered covertly or clandestinely for political expediency.2/ Reforms that fail to focus on causes, rather than symptoms, of insurgency are frequently unsatisfactory.3/ Any rifle company can conduct conventional raids and ambushes,4/ but it cannot do well indefinitely, while living off hostile land, safely relieve an enemy convoy of volatile cargo, secure vulnerable installations before defenders destroy them, or accomplish many other special missions.5/

Only full-time master craftsmen have sufficient skill to accomplish tasks listed in Figure 16 and elaborated below. Amateurs and mediocre professionals never last long.

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* "What revolutionary logic" could explain Che Guevara, "an Argentinean out of Cuba by way of the Congo in the wilds of the Bolivian jungles memorizing the verbs of the wrong Indian language in order to convert a people, already possessing land, whose vision for endless centuries had turned inward?" Far from being a fish in a sea of people, he was a fish out of water. Any claim that he spoke for Bolivian people was unfounded in fact.6/ He paid for ineptitude with his life.

Figure 16

TASKS CONNECTED TO SKILLS
Requirements Are Relative to Each Other

	Special Operations Skills Required			
	Least	Moderate	Extensive	Greatest
Cellular Organization 1/				
Simple			x	
Complex				x
Direct Action				
Assassination				
Strategic 2/			x	
Tactical 3/		x		
Abduction				
Strategic 2/				x
Tactical 3/			x	
Hostage Taking		x		
Random Killing & Maiming	x			
Sabotage				
Strategic 2/				x
Tactical 3/			x	
Capture 4/				x
Termination 4/				x
Ambushes		x		
Raids		x		
Rescue				
Hostages				x
Military POWs			x	
Indirect Action				
Psychological Operations 5/				x
Subversion				x
Military Assistance				
Advice and Training 6/				x
Other		x		
Economic Assistance	x			
Reform	x			
Intelligence				
Unique Reconnaissance			x	
Unique Surveillance			x	
Target Acquisition				
Key Personnel				x
Critical Weapons		x		
Survival				
Infiltration 7/	x	x	x	x
Exfiltration				
Preplanned	x	x	x	x
Search & Rescue 7/	x	x	x	x
Escape & Evasion				x
Personal Security			x	
Site Security			x	
Public Education		x		

1/ Cellular organization, an input rather than output task, is not reflected in Figure 1.

2/ "Strategic" operations, in the context of this table, strongly affect rival war efforts.

3/ "Tactical" operations, in the contest of this table, have local and/or short-term effects.

4/ Term refers to "surgical" antipersonnel operations against transnational terrorists and key insurgents.

5/ Strategic and tactical psychological operations both require great skill.

6/ Unconventional warfare and internal defense/foreign internal defense, terrorism, and counterterrorism.

7/ The skill required for infiltration and exfiltration depends on many variables, except for escape and evasion.

A. "SURGICAL" ANTIPERSONNEL STRIKES

Assassination and abduction are illegal special operations employed offensively for sociopolitical purposes. Official actions to capture or kill key insurgents and transnational terrorists are legal and defensive. The two couplets in some respects are similar. Both call for expert marksmanship, willingness to take human life without hesitation, and professional tracking abilities. It takes less skill to strike lightly-defended tactical targets of local value than well-protected leaders, whose removal would profoundly affect rival war efforts. It is easier to hit the mark with a sniper rifle from afar or a poisoned pellet at point-blank range on a crowded street* than it is to seize and incarcerate any antagonist. Significant differences nevertheless are evident.

(1) Assassination and Abduction

Assassination and abduction (A&A) are direct, discriminating, potentially decisive, economical, and occasionally unique ways to achieve required results. Only agents with exceptional expertise ordinarily can penetrate security systems, accomplish strategically important missions, and escape unscathed.**7/ Operational skills, even so, are paltry, compared with those of planners, who must predict implications correctly.

Pivotal operations that deny opponents leadership and creative talent are the ultimate aim. Speculate how history might have changed, if the prime movers of Project Manhattan had perished while they were perfecting the first atom bombs, or Admiral Rickover disappeared in the early 1950s, when he alone was pressing development of nuclear-powered submarines. Ventures that rival those in TV's Mission Impossible are possible in real life. The A&A feats of Wehrmacht Colonel Otto Skorzeny, for example, became legendary.8/ Publicity about his exploits reaped at least one big bonus: bodyguards confined General Eisenhower to his headquarters for a week during the crucial Battle of the Bulge, because they feared Skorzeny's band would capture or kill him.9/ The Soviets broke the back of Hungarian resistance in 1956, after that satellite repudiated the Warsaw Pact, when they snared Premier Nagy and his Minister of Defense.10/

The record, however, is replete with ruinous failures. The assassination of Reinhard Heydrich, Reichsprotektor of Bohemia and Moravia, led Hitler to obliterate Lidice, Czechoslovakia in June 1942.11/ The United

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* Georgi Markov, a Bulgarian defector living in London, died September 11, 1978, after being stabbed with an umbrella that released poison into his bloodstream. Another Bulgarian defector in Paris survived a similar assault.12/

** Even amateurs, however, occasionally elude security. Secret servicemen in the White House apprehended a woman tourist with a handgun on New Year's Day 1981; an intruder accosted Queen Elizabeth in her Buckingham Palace bedroom in July 1982.13/

States might still be battling Japan, if we had harmed Hirohito, the "God Emperor," at the height of World War II. A&A advocates, in short, invite painful reversals, unless professional forecasts indicate that adverse ripostes are very unlikely.14/

(2) Capture and Termination

Skills required to catch or kill selected insurgents and transnational terrorists are even scarcer than those for A & A. It is difficult to compile dependable target dossiers, because security conscious recalcitrants understand that a single slip can be fatal for all. Concealed identities, code names, and noms de guerre are common. Few top planners or operators among them have a fixed address, most spurn perilous habit patterns, and clandestine meeting places change more often than floating crap games. Cellular systems seldom produce informants and are practically impenetrable by strangers.15/ Finally transnational terrorists, unlike intranational insurgents, can use the whole world for hiding places.16/

Neither legal nor ethical limitations are clearcut concerning operations to incarcerate or kill particular, politically-motivated, opponents during undeclared wars.17/ Domestic, foreign, and international laws differ. Some countries, for example, routinely allow armed forces to supplement local police. The United States, among others, does not.18/ Politics and cultural considerations consequently determine what is allowable, when courts cannot answer questions quickly enough. The Principle of Military Necessity, which invokes "the right to compel submission of the enemy with the least possible expenditure of time, life, and money,"19/ is tempered in many societies by moral restraints, such as those designed to avoid collateral damage and casualties or that forbid torture to extract information expeditiously. Each restriction increases skill requirements.

B. STRATEGIC SABOTAGE

Direct sabotage is personalized, surreptitious interdiction by individuals and small groups to damage or destroy installations, products, or supplies. Indirect sabotage degrades production processes. Both strive to reduce rival capabilities and/or operations. Saboteurs and their employers must understand associated dynamics to reap maximum returns; defenders must understand those dynamics to protect themselves.

It takes little expertise to pour epoxy on movable machinery or sugar in gas tanks. Strategically significant sabotage, however, hinges on highly developed skills. Demonstrations, strikes, riots, boycotts, production delays, and deliberately shoddy industrial output require activists who can mobilize people and coordinate their actions.20/ Only computer specialists can doctor microchips and software in predetermined disruptive ways. Demolitions and arson demand detailed knowledge about explosives and incendiary devices: what kind, how much, where placed, how detonated.21/ Materials may be abundant--former CIA agent Edwin Wilson, for example, furnished Libya with 21 tons of C-4 plastic explosives, which have a shelf life of 20 years22/--but home-made implements are tricky to create, as several amateur Weathermen found out too late. They blew themselves up in an impromptu bomb factory, because one accidentally completed an electric circuit.23/

Target selection and timing, which are critical, must be based on intelligence that verifies overall value, vulnerable points, security apparatus and procedures, together with advice about ingress and egress.24/ Parties that pick in haste repent at leisure. French saboteurs trying to cut telephone service between Paris and Berlin did so after they touched off a charge where lines in a sewer lay next to gas and water mains. The blast levelled and flooded a city block, leaving many friends injured or dead.25/ Allied planners did a better job casing Hitler's heavy water plant at Vemork, Norway. An 11-man team, following floor plans, crippled his atomic weapon program with one small explosion.26/

Technical analyses, however, are not enough. It sometimes is prudent to spare important targets, if attacks would put too many sympathizers out of work, deprive them of public utilities, or otherwise impair support for popular causes. Poisoning pharmaceuticals, such as Tylenol, would be a poor form of sabotage for resistance forces, unless they controlled distribution. World War II partisans commonly misrouted railway traffic, rather than ruin facilities.27/

Saboteurs, in sum, can harm instead of help, unless accurate intelligence and skilled planning precede implementation and operators are professional.

C. HOSTAGE RESCUE

Three elemental courses of action, singly or in assorted combinations, can secure the rescue or release of people or property held hostage. Diplomacy is appropriate when intelligence indicates that the perpetrators neither intend to harm their prizes or escape, but prefer discussions to publicize a cause. Political, economic, or social payoffs comprise a second alternative, which some officials find attractive. Force in lieu of, or along with, nonviolent endeavors completes the package open to most democracies. A fourth option, epitomized by the question, "What if they gave a party and no one came?", has worked well in Central America. It ignores hostage lives and isolates holders from news media to convince all terrorists that such activities are fruitless.28/

A spate of variables determine what special operations tactics (frontal attack, envelopment, talk) and tools (lethal firepower, incapacitating chemicals) seem most advantageous. Hostages, for example, might be one, few, or many; healthy, sick, or sedated; cooperate with the rescue party or resist, because of the so-called Stockholm syndrome.29/ Schemes that suit loose rules of engagement won't work well if safety is essential. It makes a difference whether captors from companion or competing factions vacillate or show resolve, hold hostages in known or unknown, single or multiple, mobile or static sites that are small or large, heavily or lightly defended, near or far, afloat or ashore on domestic, foreign, friendly, or hostile territory where intervening facilities are/not available and final approaches are open or covered. Climatic conditions (day or night, hot or cold, wet or dry, windy or calm) and time (abbreviated or abundant) can also be crucial.

Flexibility and a flair for improvisation consequently are imperative. Hostage rescue units that expect the unexpected must maintain a mind-boggling array of special skills on standby, because they cannot predict the nature of any future emergency. Samples include electronic eavesdropping, secure communications, and negotiating techniques,30/ along with abilities to break into buildings or board public conveyances of all kinds--cellars, skyscrapers, aircraft, trains, buses, cars, subways, and boats are among them. Procedures to scale walls, rappel, pick locks, handle delicate demolitions, and bypass booby traps are essential. Rescuers also must excel at sharpshooting in crowds and hand-to-hand combat, be proficient at first aid, handle hysterical hostages, jump start and drive strange vehicles, refuel jet aircraft, and work well at night. The list is almost endless.31/

Who dares does not always win, because each incident is a discrete case. Some are comparatively simple, others extremely complex. Patience sometimes may pay off better than speed, surprise, or physical prowess. The July 1976 Israeli success in Uganda32/ and U.S. failure in Iran four years later,33/ for example, both involved long-distance raids into hostile lands, but hijackers conveniently concentrated hostages at Entebbe international airfield, while the Ayatollah Khomeini scattered his through a well-guarded American Embassy compound surrounded by Teheran. The contrast between two episodes in national capitals, where Muslims held hostages in buildings, reinforce the point. Hanafi radicals with relatively modest demands released 134 captives in Washington, D.C. on March 11, 1977, at the behest of ambassadors from Egypt, Iran, and Pakistan.34/ British Special Air Service (SAS) teams had to storm the Iranian Embassy in London (1980) after negotiations with hard core revolutionaries broke down.35/

Every armed action to rescue hostages nevertheless has a common denominator: it is imagination, coupled with exceptional plans and preparations. Skorzeny proved that fantastic feats are feasible, when he spirited Mussolini from a supposedly impregnable fortress atop Gran Sasso Mountain in 1943, and whisked him away to sanctuary.36/

D. PSYCHOLOGICAL OPERATIONS

Psychological operations, which may precede, accompany, replace, or follow applications of force, constitute the planned use of propaganda and physical actions (such as terror) to influence the behavior of friendly, enemy, or neutral audiences in support of politico-military aims.37/ Psyop is neither well used nor widely understood in the West, partly because it seldom is possible to prove what worked.38/ Skills required are super specialized and rare. Technology is less useful than intellect.

Propagandists wield words as nonviolent offensive and defensive weapon systems that publicize, conceal, or misrepresent the real source to set stages properly, exploit successes, minimize failures, and make the most of mixed results. Cohesive programs, which put collective "good" (variously defined) above self-interest, solicit compliance and collaboration, whether the objective is stability or subversion. Divisive programs, conversely, seek to separate individuals from groups and groups from each other or society at large. Apathy, panic, disobedience, desertion, and surrender are typical objectives.39/

Psyop specialists target people who share predispositions. Two or more audiences that are equally vulnerable, however, may not be equally susceptible to any given persuasion (Philippine Muslims might listen to offers of autonomy, communist insurgents likely would not) or method of communication (leaflets are useless among the illiterate, unless confined to pictorials). Psyopers therefore must master many political, economic, cultural, and topical subjects, before they can skillfully tailor themes to acquire and sustain attention by particular target groups and effectively refute counter-efforts.40/

Subversion, which seeks to undermine the morale and transfer the allegiance of specific groups, is a special form of psyop. Disinformation commonly assists. Competent employers not only make it seem reasonable, but difficult for the duped to ascertain truth if they try. Statements out of context, unfair comparisons, false alarms, smear tactics, oversimplified slogans, and skewed cause/effect relationships are representative techniques.41/

The best defense against psyop depends on variables, but three rules of thumb seem evident: silence provides rivals little incentive to desist; vague rebuttals rarely are beneficial; hyperbole often boomerangs.42/ A steady flow of truthful information, which most Americans advocate, is not automatically the antidote for disinformation, because truth can hurt as well as help. Recipients, for example, may interpret truth quite differently than senders and take actions opposite those desired. Selective release and concealment of unclassified facts after careful assessment of target audience predilections thus is smart psyop.43/

E. INFILTRATION AND EXFILTRATION

SOF that perform missions in hostile territory must clandestinely or covertly pass through enemy security screens to reach assigned areas of operation and return safely, or sacrifice hard-to-replace specialists. Some methods are normal, but most are novel.

"Sleepers," who lead routine lives in enemy communities until authorities "activate" them, may infiltrate openly in peacetime on commercial transportation.44/ "Stay behind" forces remain in hostile territory, according to plan, when parent units retreat or withdraw.45/ Most SOF deploy afoot or on various land, sea, and aerial conveyances that are selected in conformance with missions, friendly and enemy situations, distance, time constraints, terrain, weather, astronomical conditions (morning/evening twilight, moon phases), number of personnel, equipment weight, and available transportation.46/

Parachutists with portable equipment can select high altitude low opening (HALO) free falls onto tiny drop zones, glide silently 20 miles or more, using high altitude high opening (HAHO) chutes, or leap from low altitude.47/ Large groups with heavy loads usually air land from fixed-wing aircraft or helicopters that fly along the nap of the earth, habitually blacked out, using night vision devices and precision navigation aids to find obscure fields. Aerial delivery also serves swimmers, although those with SCUBA gear prefer submarines, small boats, or both. Other waterborne infiltrators debark directly onto land. Each mode demands intensive and extensive skills. So do arrangements for reception committees, with recognition signals to separate friends from foes.48/

Most exfiltrators leave much the same way they arrived. Parachutists and severely disabled personnel (sick as well as wounded) are prominent exceptions. Aircraft retrieve a few selected individuals, using special techniques.49/ Some units link up with conventional forces.50/

The most intricate exfiltration task is to establish escape and evasion (E&E) networks, which help selected individuals, such as agents and underground members with blown covers, reach sanctuaries in friendly or neutral lands. Leaders, organizers, trainers, couriers, and the like use the same or similar facilities to move securely within or between hostile sectors.

Some sanctuaries are simply isolated areas where weary travellers can rest. More often, reliable sympathizers, at great risk to themselves, furnish "safehouses," sustenance, directions, and (perhaps) escort to the next stop. Transportation, medical support, money, and weapons may also be available, along with cover stories, disguises, and documents (identity papers, travel permits, passports, and ration cards). Tight counterintelligence and fail-safe procedures are imperative, to prevent compromise. The entire operation is compartmented. Neither way station tenders nor guides know participants at more than one other stop. Visitors normally arrive and depart at night, to avoid alerting nosy neighbors, and rarely tarry long. Passwords along the line change repeatedly.51/ E&E architects need intimate knowledge of local customs, personalities, and security programs, because one slip could cause the structure to collapse at the start.

F. ADVICE AND TRAINING

On-site advice and training, conducted in a culturally distinctive, largely illiterate Third World country, are difficult and sensitive endeavors. Proficiency in special operations,52/ plus abilities to communicate effectively in native tongues with indigenous leaders and trainees at many levels, both are obligatory.

Tactical and technical expertise, together with knowledge of the local language, climate, and terrain, are essential starting points,53/ but there is no short-cut to crosscultural understanding and institutional memory, which are equally indispensable. No amount of schooling and other second-hand accounts can inform outsiders about political peculiarities, pecking orders, and eccentric social practices as well as lengthy service in any specified area. Advisers and trainers, whose effectiveness depends on official contacts and other useful friendships, find there is no substitute for close association with the "right" people and avoidance of those who are "wrong."54/

Character traits are at least as important as professional competence for trainers. Know-it-all advisers have little influence with foreign advisees, who frequently are senior and, in practical terms, have more experience. It takes great tact and persuasive skill, for example, to change the minds of entrenched autocrats at any echelon, when they resist political, economic, social, and/or military reforms that might weaken their personal positions, even when standing fast risks eventual ruin.55/ Training host nation trainers sounds easy, but is a frustrating occupation in developing nations, where leaders and the led almost literally live in separate worlds, segregated by age, education, and class barriers. Bridging those gaps takes time and patience, along with pragmatic techniques.56/

The intellectual challenge for special operations advisers and trainers consequently is large. Only skilled sophisticates (defined in the broadest sense) qualify.

Section 3

SPECIAL FORMATIONS AND SUPPORT

Nations that need means to accomplish all or most special operations tasks must maintain diversified military, paramilitary, law enforcement, and civilian forces, or employ de facto proxies (Figure 17). No component possesses all essential skills. Transnational terrorists, for example, are exclusively offensive. Units for site security are entirely defensive. Some forces are suitable for direct action missions; others are totally passive. Implements and logistics vary from simple and inexpensive to costly and complex.

A. COMMAND AND CONTROL

Official SOF command and control structures are quite different than those of rival irregulars. The former merely modify conventional apparatus and C^3 procedures. The latter feature cells.

(1) Official SOF Establishments

Experience indicates that the SOF of any nation normally perform best when top-level executives centrally synchronize strategically significant policy guidance, plans, budgets, and programs, including force development and/or procurement from external sources. Training also benefits from central control, which insures uniform standards while saving time, money, and instructors.1/

Leaders are well advised to delegate responsibility and authority for tactical policy/plans and decentralize all operations, except those that are politically hypersensitive. Too tight a rein inhibits initiative, fosters inflexibility, and risks regrettable decisions, because directors far from the scene of action cannot be universally well informed or keep abreast of fast-moving situations, no matter how closely they communicate with SOF on the spot.2/

2. Insurgent And Terrorist Cells

Insurgent and transnational terrorist groups, like Apache war parties in the past, assume many sizes and shapes. They generally start with a multipurpose nucleus that amalgamates leadership, combat elements, and support in a single cell that seldom exceeds 10 members and may be much smaller. Some stagnate at that stage. Others, under the supervision of highly-skilled organizers, mature as multifaceted syndicates with numerous offshoots (Figure 18).3/

Figure 17

FORCES CONNECTED TO TASKS

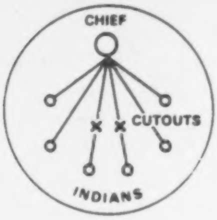
	Civilians		Law Enforcement		Paramilitary				Military				
	Non SOF	SOF 1/	Police (Urban)	Gendarmes (Rural)	Security Troops 2/	Underground	Guerrillas	Transnational Terrorists 3/	Non SOF	Land SOF	Sea SOF	Air SOF	Joint SOF
Direct Action 4/													
Assassination						X	X	X					
Abduction						X	X	X					
Hostage Taking						X	X	X					
Random Killing & Maiming						X	X	X					
Sabotage		X				X	X	X	X	X	X		
Capture		X	X	X	X				X	X			
Termination		X	X	X	X				X	X	X	X	
Ambushes		X	X	X	X		X		X	X			
Raids		X	X	X	X		X		X	X	X		X
Rescue													
Hostages		X	X							X			X
Military POWs									X	X			X
Indirect Action													
Psychological Operations		X				X	X	X		X			X
Subversion						X	X		X	X	X	X	X
Military Assistance													
Recipients 5/			X	X	X	X	X	X		X	X	X	X
Providers			X							X	X	X	
Economic Assistance	X												
Reform 6/	X		X	X	X				X	X			X
Intelligence													
Unique Reconnaissance		X	X	X	X	X	X	X		X	X	X	
Unique Surveillance		X	X	X	X	X	X	X		X	X	X	
Target Acquisition													
Key Personnel		X	X	X	X	X	X	X		X			
Critical Weapons		X	X	X	X	X	X		X	X	X	X	
Survival 4/													
Infiltration, Exfiltration													
Mode													
Land		X						X		X			X
Sea		X						X		X	X		X
Air		X						X		X	X	X	X
Search & Rescue											X	X	X
Escape & Evasion 7/		X				X	X			X			
Site Security			X	X	X	X	X		X	X			X
Public Education	X		X	X		X							X

1/ Civilian SOF exclude terrorists, but include organizations such as CIA and KGB.
2/ Includes border guards, internal security forces, coast guards.
3/ Terrorists look like civilians, but are paramilitary.
4/ Excludes low priority employment by other forces
5/ Includes advice, training, and other assistance to law enforcement and paramilitary elements.
6/ Military reform that affects special operations normally must involve the entire security establishment.
7/ Forces noted establish E&E networks. All forces use them.

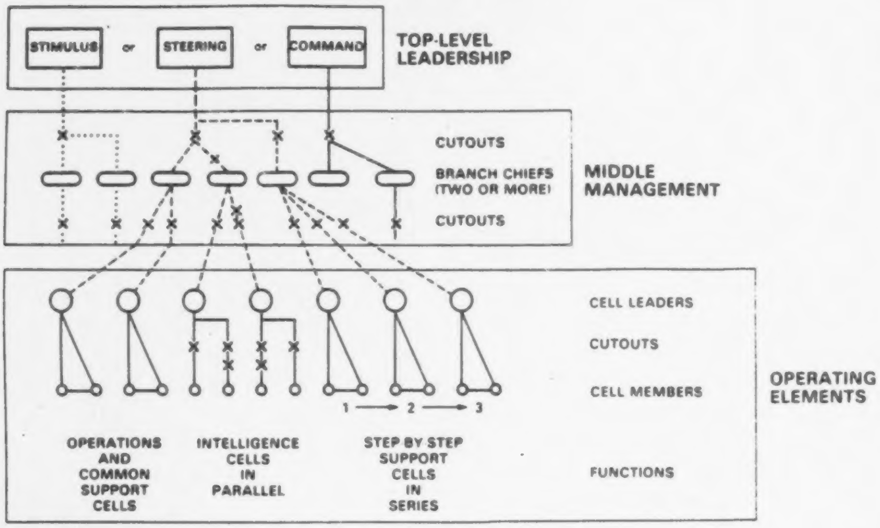
Figure 18

CELLULAR STRUCTURES

SIMPLE SETUP
Nothing But a Multipurpose Nucleus


CHIEF
CUTOUTS
INDIANS

COMPLEX SETUP
Mature and Multifaceted


STIMULUS
or
STEERING
or
COMMAND
TOP-LEVEL LEADERSHIP
CUTOUTS
BRANCH CHIEFS (TWO OR MORE)
CUTOUTS
MIDDLE MANAGEMENT
CELL LEADERS
CUTOUTS
CELL MEMBERS
1
2
3
OPERATING ELEMENTS
OPERATIONS AND COMMON SUPPORT CELLS
INTELLIGENCE CELLS IN PARALLEL
STEP BY STEP SUPPORT CELLS IN SERIES
FUNCTIONS

LEGEND

——— **Central control**
– – – – **Centralized policy, decentralized operations**
·········· **Decentralized control**

Cell operations always are solid lines

NOTES

1. Branch chiefs are required only if there are many cells
2. Threats to group security dictate the number of cutouts
3. The number of cells varies; members average 3-10, rarely [illegible]
4. Operations and support cells function as teams
5. Intelligence cells function as individuals
6. Leaders at any level may enlist solitary specialists
7. Members from several cells may make up a temporary task [illegible]
8. Operations and support cells may be single or multipurpose
9. Step by step support requires sequential collaboration
10. Part time auxiliaries and informal support functions do not show

Groups grow by adding cells, instead of expanding those extant, to simplify internal control and help prevent compromise. Intermediaries, known as "cutouts," normally separate chiefs from "indians" and cells from each other, so that captured members who crack under interrogation can furnish few lucrative leads. Many organizations subdivide support tasks and perform them step-by-step in series to keep cells small. One element might purchase commercial materials to make munitions, a second manufacture components, a third complete assembly and disseminate products. Subversives often publish papers in similar fashion: Cell 1 writes, Cell 2 typesets, Cell 3 prints, Cell 4 distributes.4/

Tight control from top to bottom permits the sharpest possible focus and decreases duplication of effort, but forfeits flexibility. High-level leaders with limited appreciation for local peculiarities are in poor position to dictate tools and techniques. They deny cells any chance to tackle targets of opportunity and make other time-sensitive decisions. Vulnerabilities burgeon, because frequent meetings and increased communication requirements foster security breaches. Problems of succession can be prickly if the "kingpin" is captured or killed.

Organizational skill requirements skyrocket if multicellular structures elect looser discipline. The Weatherman faction, for example, ran a sort of "franchise" that furnished stimuli, strategies, tactics, and training to affiliates.5/ Most groups favor "steering committees," a more moderate solution that lets subordinate cells act on their own initiative within general guidelines that lay out policies, concepts, procedures, and priorities. Leaders arrange false documents for all echelons, furnish supplies and funds, run security checks on recruits, resolve rumors, and convert raw facts into intelligence.6/

B. FORCE CHARACTERISTICS

Non-SOF civilians undertake supremely important political, economic, and social reforms that are beyond SOF purview or capabilities. They also perform special operations-related economic assistance and public education as well or better than SOF. Non-SOF law enforcement elements,* with fingers on the local pulse, are the first line of defense against subversion, terrorism, and insurrection.7/ Civilian SOF usually are better suited than uniformed military forces for covert or clandestine activities, because they blend into the background more easily.

Conventional forces sometimes are suitable for special operations, such as simple sabotage, raids, ambushes, and local security against insurgent and terrorist attacks. SOF, conversely, can accomplish some conventional missions very well, but limitations are severe, and misuse squanders valuable assets. That happened when two lightly-armed U.S. Ranger battalions were decimated at Cisterna, Italy during World War II, after being treated like standard infantry.8/ They were never reconstituted. Hit-and-run guerrillas rarely last long, if ordered to hold ground against regulars, as Palestinian groups in southern Lebanon learned too late, when Israelis overran and eradicated them in 1982.9/

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* Special weapons and tactics (SWAT) teams and highly-trained hostage negotiating units exemplify law enforcement SOF.

Special operations land forces are more versatile than SOF from other services (Figure 17), but rely extensively on air and sea counterparts for transportation (infiltration, exfiltration, replenishment) and intelligence, plus search and rescue. Naval SOF are uniquely qualified for stealthy surveillance/reconnaissance along littorals, particularly under water, as well as discriminating destruction of shore installations and ships in port. Tugs, cargo-handling equipment, and merchant vessels are typical targets.10/ Men-of-war are not immune. Italian frogmen aboard two-man "torpedoes," for example, penetrated British port defenses at Alexandria, Egypt on December 19, 1941, then planted explosives that put battleships Queen Elizabeth and Valient on the harbor bed.11/ Protracted special operations deep in hostile territory normally need long-range air units unlike anything in the conventional inventory. Psyops units serve regular and irregular establishments.

Participation across the full spectrum of offensive and defensive special operations consequently requires a spectrum of forces. Decisions to settle for less reduce options, regardless of the rationale, which may spurn some courses for practical, legal, moral, or ideological reasons. Whether the resultant posture is acceptable depends primarily on objectives, perceived threats, and strategic/tactical concepts.

C. ACCOUTERMENTS

Contrary to popular opinion, SOF worldwide are armed and equipped mainly with common implements, perhaps slightly modified. Truly special tools, which bring James Bond to mind, are atypical, even in technologically-advanced countries.

Insurgents and transnational terrorists, together with countering SOF, usually rely on stock-in-trade small arms and automatic weapons with silencers and "snooperscopes" for night sniping. Stun guns, rubber bullets, incapacitating chemical agents, gas masks, expedient and professional explosives (Molotov cocktails; plastique), miniature/remote/delayed detonating devices, bumper beepers, electronic "bugs," truth serums, voice prints, and computerized dossiers are universally available. Small, self-contained, portable, accurate, highly-destructive, easily-concealed antiaircraft and antitank weapons, suitable for assorted special operations, are more closely controlled, but nonetheless are widespread. So are aerial gunships, helicopters, short takeoff and landing (STOL) cargo planes, high-speed low-level aerial delivery systems, inflatable boats, diving bells, shallow-draft craft, and secure telecommunications. Terrorists habitually use public transportation to move and tap the mass media to disseminate messages worldwide.12/

SOF also combine common capabilities in unusual ways. They routinely need, for example: transport aircraft that can fly contours blind in darkness and bad weather, refuel aloft, find unmarked drop or landing zones, and return to base undetected; air-droppable boats and "lock-in lock-out" submarines that can unload raiders clandestinely; bubbleless SCUBA, a system to cast and recover swimmers rapidly, plus sonic underwater links between swimmers, their delivery vehicle, and (when applicable) the mother ship; and narrow-band, digital-coded, burst-transmission and secure voice radios in a compact, state-of-the-art package compatible with satellite relays.13/

The most exotic SOF implements are classified. Open sources, however, identify plastic pistols that defy electronic detection, "web-footed" submarines that "walk" in shallow water, poisons that lack known antidotes and make the cause of death look natural, self-destructing equipment, sensory deprivation and disorientation instruments to assist tortureless interrogations, and armor-piercing ammunition for handguns.14/

D. SUPPORT

SOF support varies considerably, depending on the type force and conflict intensity. Intelligence and logistics are most important, since no special operations unit is self-sufficient in either respect.

(1) Intelligence

Timely, accurate intelligence is the key to successful special operations. Counterintelligence, and signal security, which prevent opponents from acquiring essential information, are equally critical.15/ Conventional and special operations intelligence share many traits. The production cycle (planning, direction, collection, processing, production, dissemination) is identical.16/ Strategic, tactical, descriptive, predictive, basic, area, specific, and current reports play complementary parts. Some output is time-sensitive; a lot is not. Debates about the value of centralized versus decentralized control never stop.17/

Special operations, however, superimpose special requirements that demand special intelligence training and techniques, because no one can predict every development, given evolving situations and many variables described in previous sections. Stress on clandestine collection and human intelligence (HUMINT) increases with needs to target individuals or conduct "surgical" military strikes against small groups concealed amid civilian populations, to cite two common missions. Sympathizers, paid informants, and defectors supplement official agents.18/ Information from all normally has a short shelf-life. Interagency cooperation is imperative for most operations against insurgents, since no single source has a corner on leads concerning command structures, memberships, and alliances. International collaboration by police helps track down terrorists, who move randomly around the world.19/

(2) Logistics

The official establishment supplies all SOF needs in some countries. Elsewhere (including the United States) special operations units must acquire many tools of the trade from commercial outlets. Those blessed with separate budgets usually fare best. Those that share funds with conventional forces often fare less well.

Transnational terrorists, with rare exceptions, depend on patrons to provide wherewithal. Their expenses can be prodigious. Insurgents, in the absence of sponsors, scrounge from friends, steal from foes, scavenge from battlefields and, whenever possible, manufacture for themselves. High technology states are the sole source of supremely sophisticated instruments, which they share with surrogates and other associates only when doing so seems to serve their best interest.

Solvent SOF pay for goods and services from a treasury. The impecunious, especially incipient insurgents, must barter or depend on donations. Those with scant concern for law bolster their cash flow by black marketing, embezzlement, robbery, ransoms, counterfeiting, drug trafficking, extortion, expropriations (occasionally accompanied by IOUs), fraudulent "tax" collections (akin to Mafia "protection"), and proceeds from other ill-gotten spoils.20/

ANNEX B

GLOSSARY

This special operations glossary is limited to terms that high-level U.S. policymakers, planners, practitioners, and overseers commonly employ. Soviet definitions of propaganda, terrorism, and other expressions are different. The list excludes essentially tactical expressions (Molotov cocktail, meaconing).

A-DETACHMENT: The 12-man basic operational element of a U.S. Army Special Forces group. See also Special Forces.

ABDUCTION: Kidnapping of individuals or groups by authorities or outlaws for sociopolitical, rather than legal, military, or economic purposes. See also Capture.

ACTIVE MEASURES: A Soviet term for political and paramilitary steps to influence events in, and the behavior of, states or subnational groups. Strategic psychological operations, subversion, and disinformation are prominent components. Covert/clandestine direct action missions are important.

ACTIVIST: Any individual who advocates or employs vigorous action, including violence, to achieve sociopolitical objectives.

AGENT: Any individual, directed and controlled by an organization, who undertakes covert or clandestine missions, while operating essentially alone. See also Sleeper.

AGENTS OF INFLUENCE: A Soviet term for any person who, knowingly or not, supports and promotes the interests of a foreign power. Some individuals are formally recruited and controlled; "trusted contacts" collaborate informally; others are manipulated indirectly. Lenin called them all "useful idiots."

AMBUSH: Surprise assault from a concealed position, where attackers lie in wait to kill, wound, or capture individuals or groups and appropriate, damage, or destroy their weapons and equipment. See also Raid.

AREA STUDY: A synthesis and assessment of political, economic, social, military, geographic, and other factors in a particular locale to assist the preparation of plans and their implementation.

ASSASSINATION: Premeditated murder of individuals by legal authorities or outlaws for sociopolitical purposes. See also Termination.

AUXILIARIES: Part-time members of an underground organization. See also Sympathizers; Underground.

B-DETACHMENT: A 5-man company headquarters, one of nine assigned to each U.S. Army Special Forces group. See also Special Forces.

BLACK: A synonym for clandestine or covert activities of any kind.

BLACKLIST: Counterintelligence catalog of known or suspected insurgents, terrorists, agents, auxiliaries, collaborators, sympathizers, and other individuals who might threaten national security.

BLACK PROPAGANDA: Public information deliberately disseminated in ways that conceal the true sponsor and purportedly identify a false source. See also Gray Propaganda; Propaganda; White Propaganda.

BLIND DROP: Clandestine delivery of messages and packages to a predesignated pickup point by one individual and clandestine retrieval by another without any personal contact between the two. See also Cutout.

BORDER GUARDS: Soviet paramilitary internal security forces that belong to the Committee for State Security (KGB). Their basic purpose is to prevent unauthorized arrivals or departures across Soviet land or sea frontiers in peacetime and protect same during war.

BURST TRANSMISSION: Compressed radio messages sent so fast that enemy forces find them very difficult to intercept and locate the sender.

C-DETACHMENT: A 22-man battalion headquarters, one of three assigned to each U.S. Army Special Forces group. See also Special Forces.

CAPTURE: The legal apprehension by authorities of individuals or groups engaged in illegal and/or warlike activities. See also Abduction; Hostage-taking.

CELL: A small compartment, part of a larger organization, usually directed (sometimes controlled) from above, whose members engage in covert or clandestine pursuits. See also Compartmentation.

CIVIC ACTION: Political, economic, and social programs undertaken by indigenous governments, occupying powers, other groups, and/or outsiders to strengthen the internal security of a state or territory. *See also* Military civic action; Reform.

CIVIL AFFAIRS: 1. Free-will relationships of a foreign military command with, its responsibilities to, and/or authority over national, regional, and local governments and the people of a friendly host country in peacetime or in war; 2. Similar relationships with an occupied country or territory.

CIVILIAN: Any individual not belonging to an active military, paramilitary, or law enforcement unit. *See also* Law enforcement; Military; Paramilitary.

CIVIL WAR: Any intranational conflict, including insurgency. International conflict may be superimposed.

CLANDESTINE OPERATIONS: Activities conducted so secretly that no one but sponsors, planners, and implementors know they have taken place. *See also* Covert operations; Overt operations.

COLD WAR: A state of international tension wherein political, economic, technological, sociological, and psychological measures are orchestrated to attain security objectives. Armed forces deploy primarily to impress; employment is confined to incidents and skirmishes. *See also* Peace.

COLLECTIVE SECURITY: Multilateral measures by two or more partners to ensure successful accomplishment of respective deterrent, offensive, or defensive objectives. *See also* Foreign internal defense.

COMBAT RESCUE: Armed operations to free prisoners of war or hostages. *See also* Combat retrieval; Hostage rescue.

COMBAT RETRIEVAL: Armed operations to recover captured documents or materiel. *See also* Combat rescue.

COMMAND AND CONTROL: An authoritative hierarchy supported by facilities, equipment, personnel, and procedures needed to plan, direct, supervise, and otherwise influence subordinate activities.

COMPARTMENTATION: Subdivision and isolation of organizations, functions, and/or operations so that knowledge about any given component is available only to individuals who must be informed to perform assigned tasks effectively. *See also* Cell.

COMPROMISE: The known or suspected exposure of covert or clandestine personnel, plans, operations, classified papers, hardware, or installations to unauthorized persons.

CONFLICT SPECTRUM: A continuum of hostilities that ranges from sub-crisis maneuvering in cold war situations to the most violent form of general war.

CONVENTIONAL (FORCES, OPERATIONS, WEAPONS): Regular military organizations, hostilities, and hardware that exclude nuclear, chemical, and biological capabilities. See also Irregular; Regular.

CORRELATION OF FORCES: The Soviet equivalent of national net assessment, which evaluates every facet of the power balance and calculates the probable cost-risk-benefit of particular courses of international action. The politico-military balance is central. See also Net assessment.

COUNTERINSURGENCY: 1. Political, economic, social, military, and paramilitary measures that indigenous governments and associates use to forestall or defeat revolutionary war; 2. Similar measures occupying powers use to forestall or defeat resistance movements. See also Insurgency; Internal defense; Resistance.

COUNTERINTELLIGENCE: 1. Measures designed to deny hostile intelligence services access to security information. Physical safeguards and deception are representative means; 2. Measures to identify and deal with enemy saboteurs, subversives, and espionage agents. See also Intelligence.

COUNTERREVOLUTION: Operations by losers and associates against the regime installed by winners of a successful insurgency.

COUNTERTERRORISM: Measures designed to deter, limit casualties and damage from, and eventually defeat intranational or transnational terrorists. See also Terrorism; Transnational Terrorism.

COUNTRY TEAM: Senior members of all U.S. official organizations in a foreign country, headed by the ambassador or principal U.S. diplomatic representative. Members commonly include military and CIA.

COUP D'ETAT: Brief violence or bloodless action by a small, conspiratorial group to overthrow a government and seize political power. See also Insurgency.

COVER: Protective guise used by a person, organization, or installation to prevent identification with covert or clandestine activities.

COVERT OPERATIONS: Activities that conceal the identity of sponsors or participants or facilitate plausible denial of their involvement. See also Clandestine operations; Cover; Overt operations.

CUTOUTS: Intermediaries who deliver messages and packages to prevent members of a covert or clandestine organization from meeting directly with anyone in a superior/subordinate/lateral cell or another group. Ideally, all contacts conceal their true identities. At worst, the intermediary knows his or her two contacts. See also Blind drop; Cell.

DECAPITATION: Direct action strikes to neutralize or eliminate key enemy leaders, their command/control apparatus, or both.

DECEPTION: Measures designed to mislead enemies by manipulation, distortion, or fake evidence; they may build faith in false images or increase ambiguities, so enemies do not know what to believe. See also Disinformation.

DEFENSIVE SPECIAL OPERATIONS: 1. Activities to counter insurgency (including resistance) and transnational terrorism or any isolated symptoms, such as sabotage and subversion; evasion and escape; 2. Steps to protect against SOF attack. Tactics may be offensive, but the intent is to safeguard. See also Offensive special operations; Special operations.

DELTA FORCE: A U.S. Army counterterrorism unit also capable of other direct action missions that require similar skills.

DETERRENCE: Steps to prevent opponents from initiating aggressive action and to inhibit escalation if such actions occur. Promises of punishment and reward both may contribute.

DEVELOPING NATION: Generally, all countries other than NATO/Warsaw Pact, Japan, Australia, and New Zealand. Specifically, a country, not necessarily poor, in transition from traditional culture and relatively simple economy to different structures, values, and lifestyle. Feelings of political and social dislocation, coupled with rising expectations the government finds difficult to satisfy, sometimes cause serious internal security problems. See also Nation building.

DIRECT ACTION MISSION: An overt, covert, or clandestine land attack by armed individuals or groups to damage/destroy inanimate targets or slay/seize a person or persons.

DIRECT SABOTAGE: Clandestine, on-site, "surgical" attacks by individuals or small groups on inanimate targets selected to degrade rival capabilities physically and/or psychologically. See also Indirect sabotage.

DISINFORMATION: Propaganda deliberately calculated to deceive a particular audience. See also Deception; Propaganda.

DIVERSION: A Soviet term that connotes assorted direct action missions and deception. See also Deception; Direct action mission.

DROP ZONE: A planned area where troops, equipment, and/or supplies are delivered by parachute. See also Landing zone.

DRY DECK SUBMARINE: An undersea vessel with a vestibule for loading and unloading special operations forces rapidly and safely with bulky equipment while submerged. Sometimes called "lock-in lock-out."

ECONOMIC ASSISTANCE: Money, supplies, equipment, advice, education, training, and other nonmilitary aid, provided free of charge or paid for by cash, credit, or barter, calculated to abet nation building by an ally or other associate. See also Foreign assistance; Military assistance; Security assistance; Nation building.

ESCAPE AND EVASION: See Evasion and escape.

EXFILTRATION: The covert or clandestine movement of individuals or groups through enemy defenses from hostile to friendly territory by land, sea, or air in "peacetime" and war. See also Evasion and escape; Infiltration.

EVASION AND ESCAPE: 1. Liberation from enemy control and/or exfiltration; 2. A clandestine, compartmented network of people and facilities to improve prospects of success. See also Exfiltration; Search and rescue.

FIFTH COLUMN: Covert/clandestine groups that infiltrate into a country or form therein, usually before armed hostilities begin, to conduct subversion, sabotage, and other special operations in support of a foreign enemy.

FOREIGN ASSISTANCE: Aid to an ally or other associate for political, humanitarian, economic, and/or security reasons that may be altruistic or self-serving. See also Economic assistance; Military assistance; Security assistance.

FOREIGN INTERNAL DEFENSE: Participation by civilian and military agencies of a government in programs another government undertakes to forestall or defeat insurgency, transnational terrorism, or lawlessness. See also Collective security; Internal defense.

FREEDOM FIGHTER: Any belligerent who fights to liberate people from what he or she believes is an unacceptable regime.

FRONT: A Soviet joint combatant command directly subordinate to a theater commander in wartime.

FRONT GROUP: See International front group.

GENDARMERIE: National law enforcement forces armed and equipped much the same as light paramilitary internal security troops. See also Security troops.

GRAY PROPAGANDA: Public information disseminated in ways that do not specifically identify any source. See also Black propaganda; Propaganda; White propaganda.

GREEN BERETS: A nickname for U.S. Army Special Forces. See also Special Forces.

GUERRILLA: Armed member of any paramilitary insurgent or resistance group. See also Guerrilla warfare; Paramilitary; Underground.

GUERRILLA WARFARE: 1. Hit and run operations by paramilitary insurgent or resistant groups against regular armed forces, other irregulars, or noncombatants; 2. Similar operations by regular armed forces. See also Guerrilla.

HIGH-INTENSITY CONFLICT (from U.S. perspective): 1. Any war in which any belligerent employs nuclear, lethal chemical, or biological weapons so liberally that survival of the United States and/or its allies is at stake; 2. Any other war which causes casualties and damage so severe that the United States must mobilize most of its military and industrial resources to avoid defeat. See also Low-intensity conflict; Mid-intensity conflict.

HIJACKING: Illegal seizure, occupation, detainment, and/or diversion of any land, sea, or aerospace transport by individuals or groups (especially terrorists) for any purpose.

HOSTAGE: Any person or property illegally held captive or in peril until redeemed, rescued, or voluntarily released. See also Hostage rescue.

HOSTAGE RESCUE: Diplomacy, negotiations, sanctions, and armed action, singly or in some combination, to secure the safe release of persons or property held for redemption, preferably without meeting the holder's demands. See also Hostage.

HOST COUNTRY: A nation within which foreign organizations operate in response to official invitation and/or international agreement.

HUMAN INTELLIGENCE: Intelligence derived from information collected by people, rather than technological instruments. Overt, covert, and clandestine (espionage) operations all are involved. See also Information; Intelligence.

INCIDENTS: Brief, small-scale armed clashes that generally occur during crises in "peacetime" or cold war.

INDIRECT SABOTAGE: Demonstrations, strikes, riots, boycotts, production delays, deliberately shoddy industrial output, and other mass efforts (excluding direct attacks) to degrade rival capabilities physically and psychologically. See also Direct sabotage.

INFILTRATION: 1. The covert or clandestine movement of individuals and groups through enemy defenses from friendly to hostile territory by land, sea, or air in "peacetime" and war; 2. Similar movement within or between hostile sectors. See also Exfiltration; Insertion.

INFORMATION:— Unprocessed data, regardless of type or derivation, that can be converted into intelligence. See also Intelligence.

INFRASTRUCTURE: Organizations, fabrications, facilities, and installations that control and support military, paramilitary, law enforcement, and/or subversive activities.

INSERTION: The overt, covert, or clandestine movement of individuals, groups, or equipment into an operational area by land, sea, or air. See also Infiltration.

INSURGENCY: Extended, organized efforts to overthrow the established order (not necessarily a government), seize political power by subversive and coercive means, and sometimes (not always) alter social systems. See also Counterinsurgency; Coup d'etat; Guerrilla warfare; Insurgency phases; Resistance; Subversion; Underground.

INSURGENCY PHASES: I, infrastructure development and preservation, underground activities; II, progressive expansion, which combines Phase I with guerrilla warfare; III, open employment of large paramilitary formations, which supplement Phase I and II operations.

INSURRECTION: See Insurgency.

INTELLIGENCE: Products resulting from the collection, evaluation, analysis, integration, and interpretation of information. See also Counterintelligence; Human Intelligence; Information.

INTERDICTION: Operations to impede or prevent enemy use of an area or route.

INTERNAL DEFENSE: All measures a government takes to forestall or defeat insurgency, transnational terrorism, or lawlessness within its own territory. See also Foreign internal defense.

INTERNAL SECURITY FORCES: See Security troops.

INTERNATIONAL FRONT GROUP: A purportedly independent organization established and directed by the Communist Party of the Soviet Union to promote foreign policy and national security objectives.

IRREGULAR (FORCES, OPERATIONS): Individuals and groups, not part of any official military or law enforcement apparatus, that engage primarily in insurgency, resistance, and/or transnational terrorism. See also Conventional; Regular.

JOINT SPECIAL OPERATIONS AGENCY: A small staff section with Army, Navy, Air Force, and Marine Corps representatives who evaluate special operations proposals, polices, plans, and proposals for the U.S. Joint Chiefs of Staff, and make related recommendations.

JOINT SPECIAL OPERATIONS COMMAND: 1. Any special operations headquarters to which forces from two or more military services are assigned or attached; 2. The headquarters that controls, develops doctrine for, deploys and, in some circumstances, employs U.S. Department of Defense counterterrorism forces.

LANDING ZONE: A planned area where troops debark and equipment/supplies unload from fixed wing aircraft and/or helicopters. See also Drop zone.

LAW ENFORCEMENT (FORCES, OPERATIONS): Police, gendarmeries, and other lightly-armed forces whose primary purpose is to maintain order within the boundaries of a nation, in accord with local, regional and (sometimes) international legal mandates. See also Gendarmerie; Security troops.

LOCK-IN - LOCK-OUT SUBMARINE: See Dry-deck submarine.

LOGISTICS: Plans and operations associated with the design, development, acquisition, storage, movement, distribution, maintenance, evacuation, and disposition of materiel; the movement, evacuation, and medical treatment of personnel; the acquisition or construction, maintenance, operation and disposition of facilities; and the acquisition or furnishing of services.

LOW-INTENSITY CONFLICT (from U.S. perspective): Any war in which the United States commits a small fraction of its armed forces, mobilization (if any) is very selective, U.S. objectives are strictly limited, and U.S. forces never risk military defeat. Symbolic or exemplary employment of nuclear weapons and more liberal use of chemical warfare are possible. U.S. operations in the Dominican Republic (1965), and Grenada (1983), are illustrative. See also High-intensity conflict; Incidents; Mid-intensity conflict.

MID-INTENSITY CONFLICT (from U.S. perspective): Any war in which the United States commits major armed forces, but spurns massive mobilization. Nuclear-chemical-biological warfare is possible, with many limitations. Damage and casualties are sufficiently severe that U.S. defeat is conceivable, but national survival is never at stake. U.S. operations in Korea (1950-53) and Southeast Asia (1965-72) are illustrative. See also High-intensity conflict; Low-intensity conflict.

MILITARY (FORCES, OPERATIONS): Regular land, sea, and aerospace armed forces of a nation, active and reserve, whose primary purposes are to deter, defeat, or otherwise deal with the full range of external armed aggression against national security interests, as directed, wherever it occurs; secondarily, they assist law enforcement/internal security forces, when required. See also Law enforcement; Paramilitary; Regular.

MILITARY ASSISTANCE: Money, weapons, equipment, supplies, advice, education, training, construction, services, and other aid, provided free of charge or paid for by cash, credit, or barter, calculated to improve the armed forces of an ally or other associate. See also Economic assistance; Foreign assistance; Security assistance.

MILITARY CIVIC ACTION: The use of mainly indigenous armed forces to implement economic and social programs that benefit local populations, partly to improve the popular image of those forces. Public works, agriculture, education, and training are representative projects. See also Civic action.

NATION BUILDING: Activities by a developing country, unilaterally or with outside assistance, to create or strengthen popular acceptance of political, economic, legal, social, and other programs, thereby enhancing internal security. See also Developing nation.

NET ASSESSMENT: The dispassionate comparison of capabilities possessed by two competing countries or coalitions to ascertain which is best able to achieve its objectives, despite opposition by the other. See also Correlation of forces.

OFFENSIVE SPECIAL OPERATIONS: 1. Activities to prosecute or support insurgency (including resistance) and transnational terrorism; 2. SOF direct action missions, intelligence collection, and psyop that assist offensive operations by nuclear/biological/chemical and conventional forces. See also Defensive special operations; Special operations.

OPERATIONAL COMMAND: Control over assigned or attached forces, except for administration and logistics.

OPERATIONAL CONTROL: See Operational command.

OVERT OPERATIONS: Activities conducted openly, without concealing the identity of the sponsor or participants. See also Clandestine operations; Covert operations.

PARAMILITARY (FORCES, OPERATIONS): 1. Land, sea, and air forces of a nation, which have a distinctive chain of command, primarily perform internal security functions beyond the ability of law enforcement units, and supplement the regular military establishment as required; 2. Guerrillas and other armed irregulars that use quasimilitary tactics and techniques. See also Law enforcement; Military; Regular; Security troops.

PARTISAN: See Guerrilla; Irregular.

PEACE: A condition characterized by the absence of hostile activities and/or intent in the relations between two or more competitors. See also Cold War; War.

PEOPLE'S WAR: A term primarily used by China and its disciples to connote revolutionary war and resistance movements. See also Resistance; Revolutionary war; War of national liberation.

PERCEPTION MANAGEMENT: Overt, covert, or clandestine employment of deception, controlled disclosures, military demonstrations, psyop, psychotropic biological and chemical agents, and other special operations to influence and exploit the emotions, thoughts, and motives of targeted governments, groups, and individuals in ways that help users achieve objectives.

PREEMPTIVE OPERATIONS: Conflict initiated on the basis of evidence, not necessarily accurate, that an enemy attack is imminent. See also Preventive operations; Retaliation.

PREVENTIVE OPERATIONS: Conflict initiated on the basis of evidence, not necessarily accurate, that armed combat with a particular opponent, while not imminent, is inevitable, and that delay would involve greater risk. See also Preemptive operations; Retaliation.

PROPAGANDA: Any form of communication designed to influence the opinions, emotions, attitudes, or behavior of any group in ways intended to suit the sponsor, directly or indirectly. See also Propaganda of deeds.

PROPAGANDA OF DEEDS: Direct action, especially terrorist attacks, to influence the opinions, emotions, attitudes, or behavior of particular target audiences. See also Propaganda.

PROXY OPERATIONS: A form of limited warfare in which a competitor seeks to avoid direct confrontation with opponents, yet accomplish security objectives at reduced cost and risk, by relying on de facto or de jura surrogates.

PSYCHOLOGICAL OPERATIONS: The planned use of propaganda and actions to influence the opinions, emotions, attitudes, and behavior of friends, neutrals, and enemies in ways that assist accomplishment of security objectives. * See also Perception management; Propaganda; Psychological warfare.

PSYCHOLOGICAL WARFARE: The planned use of propaganda and actions to influence the opinions, emotions, attitudes, and behavior of enemies in ways that assist accomplishment of security objectives. * See also Perception management; Propaganda; Psychological operations.

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* For a list of specialized psyop/psywar terms, see FM 33-1: Psychological Operations, Washington, D.C., Headquarters, Department of the Army, August 31, 1979, p. H-1 through H-4.

RAID: Short, surprise attack to achieve a specific purpose that excludes intent to hold territory. See also Ambush.

RANDOM KILLING AND MAIMING: A terrorist tactic to spread panic and convince rival leaders that chaos will result, unless they make required concessions.

RANGERS: Elite U.S. Army light infantry units intended for short duration direct action missions.

REAGAN DOCTRINE: U.S. military and economic assistance on a modest scale for selected anti-communist insurgencies and resistance movements.

REAR AREA (for special operations purposes): Territory separate from present or prospective main land battlefields, occupied primarily by high-level civil-military command, logistic, and administrative elements; nationally or regionally important communication and transportation nodes, including civil-military airfields and seaports; medium-/long-range missiles; and major military reserves. Rear areas become battlefields during insurgencies, resistance movements, and transnational terrorist operations. See also Rear area security.

REAR AREA SECURITY: Measures to deter, defend against, and reduce damage from enemy attacks of any kind on critical targets in territory separate from present or prospective land battlefields. See also Rear area.

REBELLION: An armed uprising, usually unsuccessful, against established authority. Motives need not be the same as those that inspire insurgency or resistance. See also Insurgency; Resistance.

RECEPTION PARTY: A group, indigenous or inserted in hostile territory, which facilitates the safe arrival of special operations forces by air or sea and provides initial support, such as intelligence, transportation, and local contacts.

RECONNAISSANCE: Intelligence operations to collect information about opponents or territory through visual, aural, or technological observation, while patrolling a specified area. See also Surveillance.

RECOVERY: See Combat retrieval.

RECOVERY SITE: A spot, preferably within an E&E safe area, from which evaders and escapees are evacuated to friendly territory. See also Safe area.

REFORM: Political, economic, social, and/or military measures by a regime to prevent, reduce, or eradicate widespread dissatisfaction, and thereby strengthen popular support.

REGULAR (FORCES, OPERATIONS) for special operations purposes: 1. Active and reserve military establishments that are organized, trained, and equipped for conventional or nuclear/biological/ chemical conflict. Regular forces may engage in irregular activities. 2. Law enforcement elements. See also Irregular.

REMOTE AREA OPERATIONS: Official steps to establish a strong armed presence and popular support in territory well removed major population centers, where insurgents are undermining the allegiance of locals and/or have built bases.

RESCUE: See Combat rescue.

RESISTANCE: Organized efforts by all or part of a population to importune and, if possible, oust a regime installed by an occupying power. Forces and tactics are similar to those of insurgency. See also Insurgency.

RETALIATION: Reprisal for enemy attacks. See also Preemptive operations; Preventive operations.

REVOLUTIONARY WAR: See Insurgency.

RULES OF ENGAGEMENT: Authoritative directives that permit armed forces to instigate combat without further orders under specified conditions and prescribe limitations on the conduct of subsequent operations.

SABOTAGE: See Direct sabotage; Indirect sabotage.

SAFE AREA: 1. A relatively secure, usually rural, area within hostile territory where evaders and escapees can rest, recuperate, and perhaps receive assistance before continuing their exfiltration or being evacuated; 2. A similar site where irregular forces assemble before, or seek refuge after, combat operations. See also Evasion and escape; Safe house; Sanctuary.

SAFE HOUSE: 1. Any facility that counterintelligence efforts make reasonably secure for groups to meet covertly or clandestinely; 2. A similar safe haven along an evasion and escape route. See also Evasion and escape; Safe area.

SANCTIONS: Political and/or economic punishment, undertaken unilaterally or multilaterally, to convince opponents they should cease undesirable practices or otherwise bow to the wielder's will.

SANCTUARY: A safe haven in neutral or hostile territory that a belligerent, by tacit agreement, can use for assorted purposes with impunity (reinforce, refurbish, resupply, stage operations, for example). See also Safe area.

SEA-AIR-LAND: U.S. Navy special operations forces, commonly called SEALs.

SEARCH AND RESCUE: Special crews, equipment, aircraft, and vessels deployed primarily to locate and recover military and naval personnel who are lost or in distress on land or at sea, due to accidents or enemy action. They sometimes assist escape and evasion. See also Evasion and escape.

SECURITY ASSISTANCE: Foreign aid provided primarily to improve the ability of an ally or associate to resist internal/external aggression and/or contribute more effectively to an alliance. See also Economic assistance; Foreign assistance; Military assistance.

SECURITY TROOPS: Paramilitary land, sea, and air forces of a nation whose primary purpose is to deal with domestic dissent beyond the capabilities of law enforcement units. See also Law enforcement; Paramilitary.

SENSITIVE: An agency, installation, person, position, document, material, or activity that requires special protection from disclosure that could embarrass, compromise, or threaten the sponsoring power.

SKYJACKING: Aerial piracy. See also Hijacking.

SLEEPERS: Enemy agents, positioned in an operational area, who lead apparently normal lives, until they undertake special missions in response to a prearranged signal or receipt of orders. See also Agent.

SNATCH PICKUP: See Surface-to-air recovery.

SPECIAL ACTIVITIES: U.S. operations, planned and executed so that the role of the United States Government is not apparent or acknowledged publicly, are solely a CIA responsibility in peacetime. Covert activities must be approved by the President.

SPECIAL FORCES: U.S. Army forces, organized as groups, intended primarily for unconventional warfare and foreign internal defense. Training indigenous troops, rather than direct action, is their forte.

SPECIAL OPERATIONS: 1. Insurgency, counterinsurgency, resistance, transnational terrorism, counterterrorism; 2. Unorthodox, comparatively low-cost, potentially high-payoff, often covert or clandestine methods that national, subnational, and theater leaders employ independently in "peacetime" or to support nuclear/biological/chemical and/or conventional warfare across the conflict spectrum. See also Counterinsurgency; Counterterrorism; Defensive special operations; Direct action mission; Insurgency; Psychological operations; Offensive special operations; Resistance; Special Operations forces; Transnational terrorism.

SPECIAL OPERATIONS ADVISORY GROUP: A quality control board, whose members review U.S. special operations proposals, policies, plans, and programs, and make recommendations.

SPECIAL OPERATIONS FORCES: Small, carefully selected military, paramilitary, and civilian units with unusual (occasionally unique) skills, which are superlatively trained for specific rather than general purposes, and are designed to undertake unorthodox tasks that ordinary units could accomplish only with far greater difficulty and far less effectiveness, if at all. SOF, however, are not needed for all special operations. See also Special operations.

SPECIAL WARFARE: See Special operations.

SPECIAL WEAPONS AND TACTICS: Elite law enforcement units that use nonstandard tools and techniques primarily for hostage rescue, barricade, and anti-sniper purposes.

SPETSNAZ: Soviet special operations forces. Some are subordinate to the Committee for State Security (KGB), others to the Ministry of Defense--specifically the Intelligence Directorate (GRU) of the Soviet General Staff.

STAY BEHIND FORCES: Military units that remain in hostile territory to accomplish particular missions after the main body retires or withdraws.

STOCKHOLM SYNDROME: The tendency of some hostages to feel sympathetic toward captors, coupled with adverse feelings toward, and perhaps resistance of, rescuers.

STRATEGY: The art and science of applying power of all types, directly and indirectly, under all circumstances to exert desired degrees of control over opponents, and thereby achieve security objectives. See also Tactics.

SUBNATIONAL GROUP: For special opoerations purposes, a nongovernmental organization whose members profess common aspirations that may be political, economic, and/or social, usually possess military or paramilitary capabilities, and oppose official authority in particular places for particular reasons. The Palestine Liberations Organization, Viet Cong, Contras, Kurds, Basque separatists, and Baader-Meinhof are representative.

SUBVERSION: Measures intended to undermine the morale, discipline, will, and/or loyalty of a populace to a regime, using insidious, mainly psychological means.

SURFACE-TO-AIR RECOVERY: Specially trained air crews with specially-equipped aircraft designed to rescue individuals ashore or afloat, without landing, using exotic techniques.

"SURGICAL" STRIKE: Any attack designed to eliminate or stringently limit casualties among people or damage to property not specifically targeted.

SURROGATE OPERATIONS: See Proxy operations.

SURVEILLANCE: Intelligence operations to collect information through visual, aural, or technological observation (usually clandestine), while following persons or maintaining close watch from particular positions. See also Reconnaissance.

SUSCEPTIBILITY: The proclivity of a particular target audience to respond favorably to particular psychological operations. See also Vulnerability.

SYMPATHIZERS: Individuals and groups who consciously assist insurgent or transnational terrorist organizations by furnishing funds, information, and other support, without joining the underground or guerrilla groups. See also Auxiliaries, Guerrilla; Underground.

TACTICS: Detailed methods used to implement strategy. Military, paramilitary, and law enforcement tactics involve the employment of units in combat, including task organization and maneuvering of forces in relation to each other and/or to the enemy. See also Task organization; Strategy.

TARGET: 1. People that opponents plan to kill, capture, or influence; 2. Property that opponents plan to capture or destroy; 3. Areas that opponents plan to control or deny; 4. A country, area, agency, installation, person, or group against which intelligence/counterintelligence activities are directed.

TARGET ACQUISITION: Detection, identification, and (in the case of mobile targets) tracking of a target in sufficient detail to permit focused operations against it. See also Target.

TASK FORCE: Temporary grouping of units under a single commander to accomplish a specific, transitory purpose. See also Task organization.

TASK ORGANIZATION: Temporary internal grouping of a unit to accomplish a specific, transitory purpose. See also Task force.

TERMINATION: A euphemism for killing by authorities of individuals or groups engaged in illegal and/or warlike activities. See also Assassination.

TERRORISM (for special operations purposes): Public, repetitive violence or threats of violence to achieve sociopolitical objectives by inspiring widespread fear among people not personally involved and disrupting community routines. See also Terrorist.

TERRORIST: Anyone who, with whatever motive and for whatever purpose, practices terrorism. See also Terrorism.

THEATER: A major politico-military or geographic area (such as Europe and the Middle East) assigned to a senior commander for peacetime plans/preparations and wartime operations. All U.S. theaters are outside the United States; the commander-in-chief of a unified or specified command is assigned military responsibility. Known Soviet theaters are inside, or contiguous to, the U.S.S.R.

TRANSNATIONAL TERRORISM: Terrorism that is staged in, and perhaps supported by, one country, but takes place in another country or other countries. See also Terrorism.

UNCONVENTIONAL WARFARE: Activities by a foreign government or group that assist insurgents or resistance movements in another country. See also Offensive special operations.

UNDERGROUND: An illegal, partly clandestine, partly covert organization that plans and controls an insurgency, transnational terror, or resistance movement; conducts covert or clandestine operations, such as subversion, sabotage, and terror; and conducts logistic/administrative support activities that include recruitment, indoctrination, training, intelligence, supply, communications, and fundraising. See also Auxiliaries; Guerrilla; Sympathizers.

UNIFIED COMMAND: A top-echelon U.S. combatant organization with regional or functional responsibilities, which normally is composed of forces from two or more services. It has a broad, continuing mission and is established by the President, through the Secretary of Defense, with the advice and assistance of the Joint Chiefs of Staff.

URBAN GUERRILLA: Member of a city-based underground. See also Guerrilla; Underground.

VIETNAM SYNDROME: Reluctance of U.S. leaders and the American people to intervene militarily in any foreign country for any purpose in any way following U.S. defeat in Vietnam.

VULNERABILITY: 1. Weakness of any kind that a competitor could exploit by any means to reduce present or projected security capabilities of an opponent; 2. The sensitivity of a particular target audience to conditions that could make it susceptible to psychological operations. See also Susceptibility.

WAR: A condition characterized by hostile activities in the relations between two or more competitors. See also Cold war; Peace.

WAR OF NATIONAL LIBERATION: A term used primarily by the Soviet Union and its disciples to connote revolutionary war. See also People's War; Revolutionary war.

WET AFFAIRS: A Soviet synonym for assassinations and abductions.

WHITE PROPAGANDA: Public information disseminated in ways that identify the sponsor. See also Black Propaganda; Gray Propaganda; Propaganda.

ANNEX C

ABBREVIATIONS

AFR	Air Force Reserve (U.S.)
ANG	Air National Guard (U.S.)
ARNG	Army National Guard (U.S.)
Avn	Aviation
BIB	Board for International Broadcasting (U.S.)
Bn	Battalion
C^3	Command, control, and communications
CA	Civil affairs
CI	Counterinsurgency; counterintelligence
CIA	Central Intelligence Agency (U.S.)
CINC	Commander-in-Chief
Co	Company
COIN	Counterinsurgency
CONUS	Continental United States
CPSU	Communist Party of the Soviet Union
DAM	Direct action mission
DIA	Defense Intelligence Agency
DOD	Department of Defense (U.S.)
DZ	Drop zone
E&E	Evasion and escape
FAA	Federal Aviation Administration (U.S.)
FBI	Federal Bureau of Investigation (U.S.)
FID	Foreign internal defense
FORSCOM	Forces Command (U.S. Army)
GOF	Group of Forces (USSR)
Gp	Group
GRU	Chief Intelligence Directorate, General Staff (USSR)
HAHO	High altitude high opening parachute
HALO	High altitude low opening parachute
Helo	Helicopter
Hq	Headquarters
HUMINT	Human intelligence
ID	Internal defense
JCS	Joint Chiefs of Staff (U.S.)
JSOA	Joint Special Operations Agency (U.S.)
JSOC	Joint Special Operations Command (U.S.)
JUWTF	Joint Unconventional Warfare Task Force (U.S.)
KGB	Committee for State Security (USSR)
KHAD	State Information Service (Afghan)
LIC	Low-intensity conflict
LRRP	Long-range reconnaissance patrol (U.S.)
Lt. Col.	Lieutenant colonel
LZ	Landing zone
MAC	Military Airlift Command (U.S. Air Force)
Maj.	Major
MATC	Mini-armored troop carrier (U.S. Navy)

MAU (SOC)	Marine amphibious unit (Special Operations) (U.S.)
MD	Military district (USSR)
MI	Military intelligence
MIA	Missing in action
MTT	Military training team (U.S.)
MVD	Ministry of Interior (USSR)
NATO	North Atlantic Treaty Organization
NM	Nautical Mile
NSC	National Security Council (U.S.)
NSDD	National Security Decision Directive (U.S.)
NSWG group	Naval special warfare (U.S.)
NSWU	Naval special warfare unit (U.S.)
OPCON	Operational control
OSD	Office, Secretary of Defense (U.S.)
Para	Paratrooper
PBR	River patrol boat (U.S. Navy)
PLO	Palestine Liberation Organization
POW	Prisoner of war
Psyop	Psychological operations
Psywar	Psychological warfare
Recce	Reconnaissance
Recon	Reconnaissance
SAR	Search and rescue
SBU	Special boat unit (U.S. Navy)
SCUBA	Self-contained underwater breathing apparatus
SDVT	SEAL delivery vehicle team (U.S. Navy)
SEAL	Sea-air-land (U.S. Navy personnel unit)
SF	Special Forces (U.S. Army)
SFOB	Special Forces operating base (U.S. Army)
Sig	Signal
SOC	Special operations capable
SOCCT	Special operations combat control team (U.S. Air Force)
SOCOM	Special operations command (U.S.)
SOF	Special operations forces
SOLL	Special operations low level (U.S. Air Force)
SOPAG	Special Operations Advisory Group (U.S.)
SOS	Special operations squadron (U.S. Air Force)
SOW	Special operations wing (U.S. Air Force)
STARS	Surface-to-air recovery system
STOL	Short takeoff and landing
Svc	Service
SWAT	Special weapons and tactics
SWCL craft	Light special warfare (U.S. Navy)
TF	Task force
UBA	Closed-circuit underwater breathing apparatus
USAR	U.S. Army Reserve
USIA	U.S. Information Service
UW	Unconventional warfare

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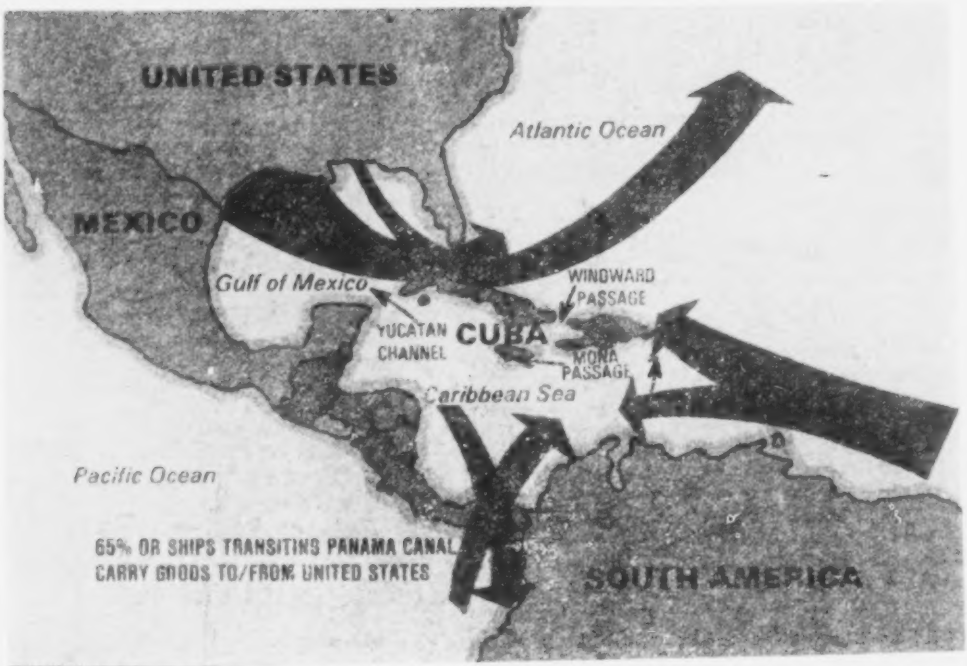
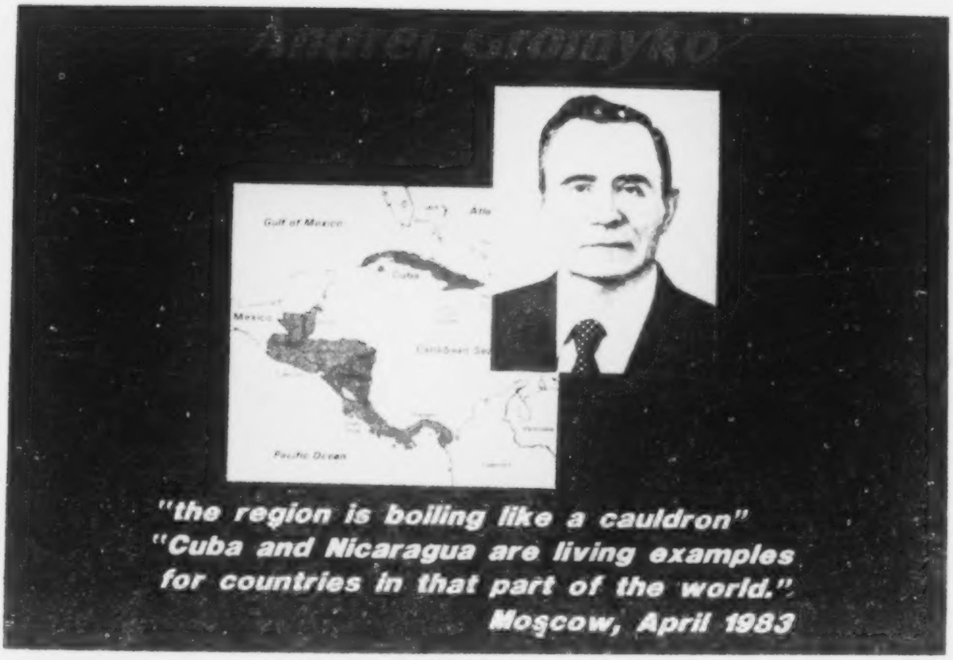

UNITED STATES
Atlantic Ocean
MEXICO
Gulf of Mexico
WINDWARD PASSAGE
YUCATAN CHANNEL
CUBA
MONA PASSAGE
Caribbean Sea
Pacific Ocean
65% OR SHIPS TRANSITING PANAMA CANAL CARRY GOODS TO/FROM UNITED STATES
SOUTH AMERICA

2. The Soviets clearly recognize the geographic significance of Central America. Strategically, Central America is of vital importance to the economic stability and security of the United States. The Soviets already have a willing partner in Cuba, threatening our sea lines of communication and trade, and placing at risk our access to vital resources. Through the Gulf of Mexico and the Caribbean pass 55% of our crude oil, 45% of our imports and exports and, in the event of war in NATO or the Persian Gulf, 60% of our reinforcements and supplies. 65% of the trade passing through the Panama Canal is either coming to or from the United States. The Soviets recognize that a foothold on the mainland, particularly on this vital land bridge between North and South America, would be of enormous advantage.

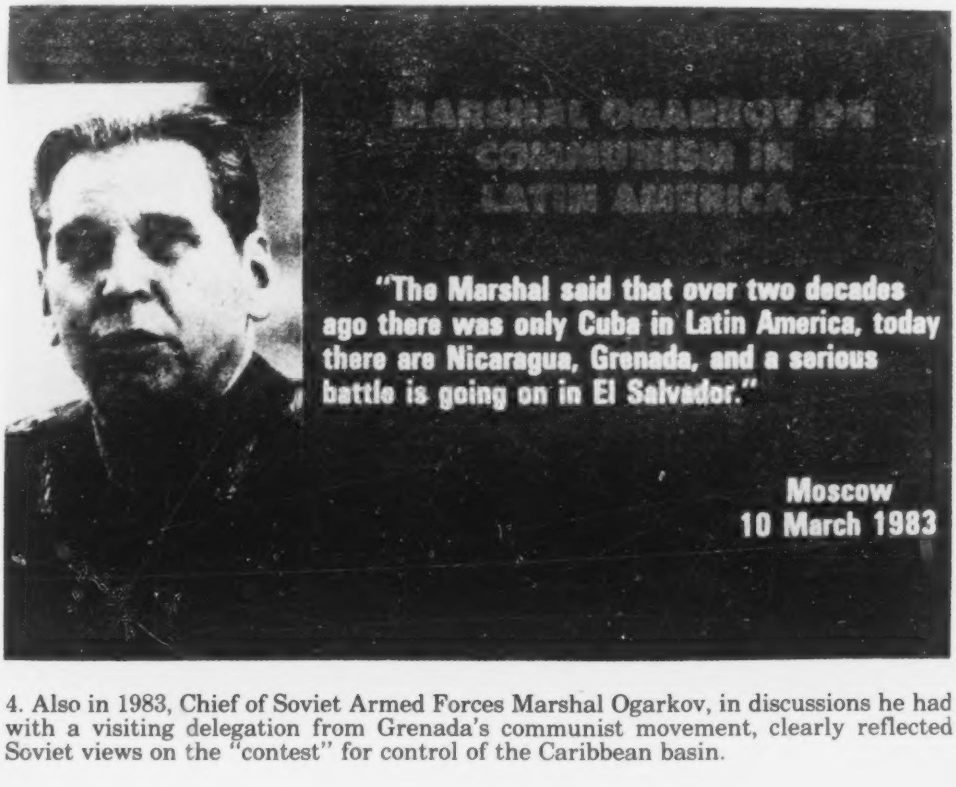


Andrei Gromyko

"the region is boiling like a cauldron"
"Cuba and Nicaragua are living examples for countries in that part of the world."
Moscow, April 1983

Gulf of Mexico
Atla
Cuba
Mexico
Caribbean Sea
Pacific Ocean

3. In 1983, then Soviet Foreign Minister Andrei Gromyko clearly reflected Soviet intentions. His statements in Moscow were ample indication that the Soviets have designs which we seem to ignore.

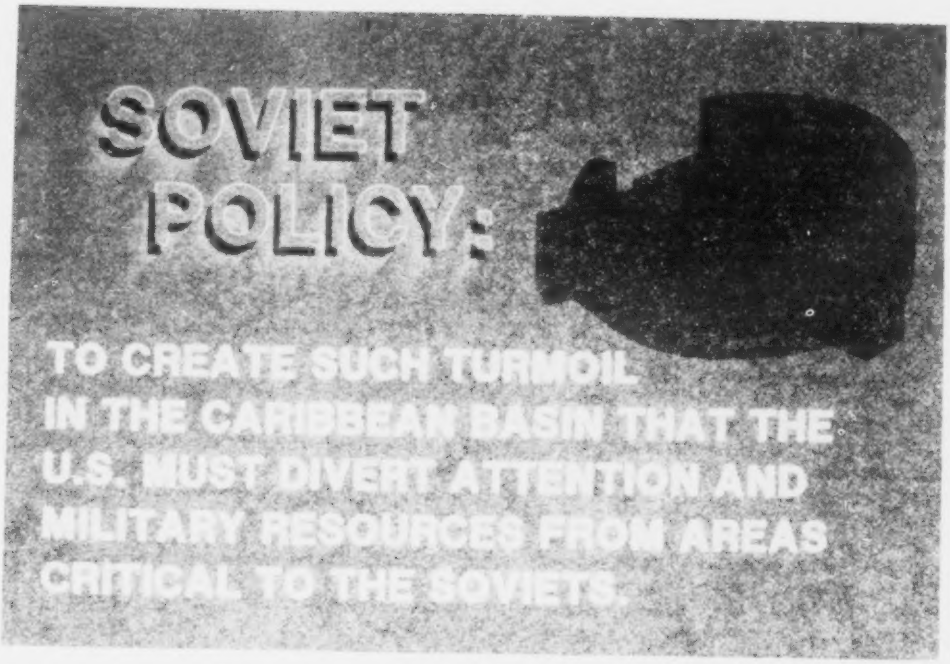


MARSHAL OGARKOV ON COMMUNISM IN LATIN AMERICA

"The Marshal said that over two decades ago there was only Cuba in Latin America, today there are Nicaragua, Grenada, and a serious battle is going on in El Salvador."

Moscow
10 March 1983

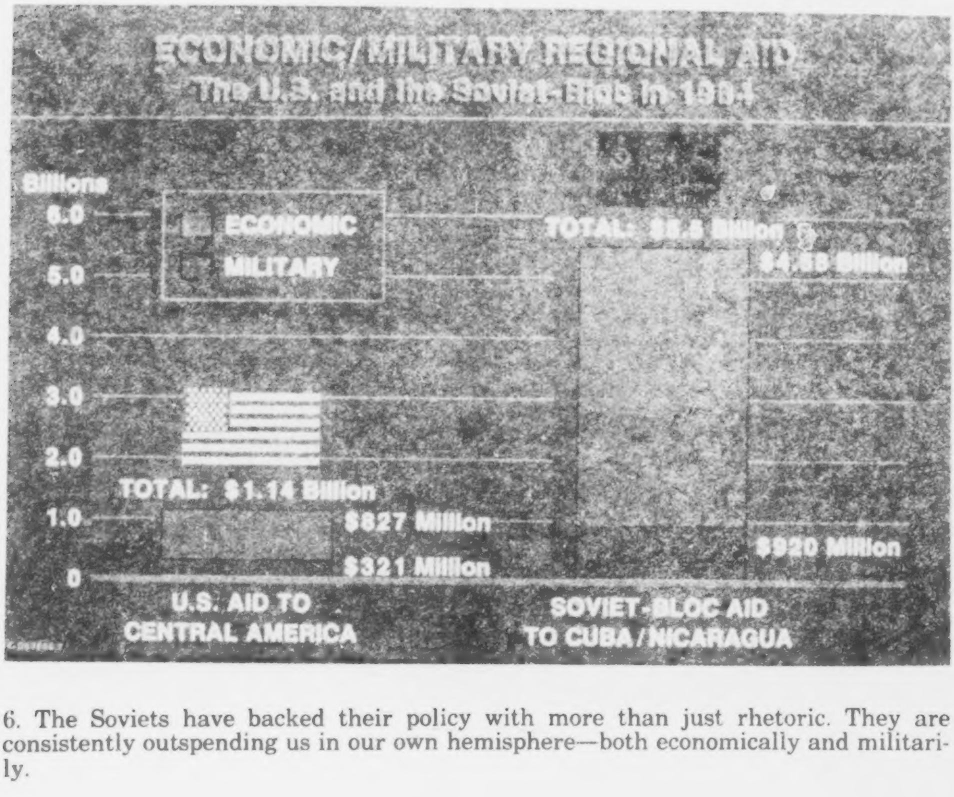
4. Also in 1983, Chief of Soviet Armed Forces Marshal Ogarkov, in discussions he had with a visiting delegation from Grenada's communist movement, clearly reflected Soviet views on the "contest" for control of the Caribbean basin.



SOVIET POLICY:

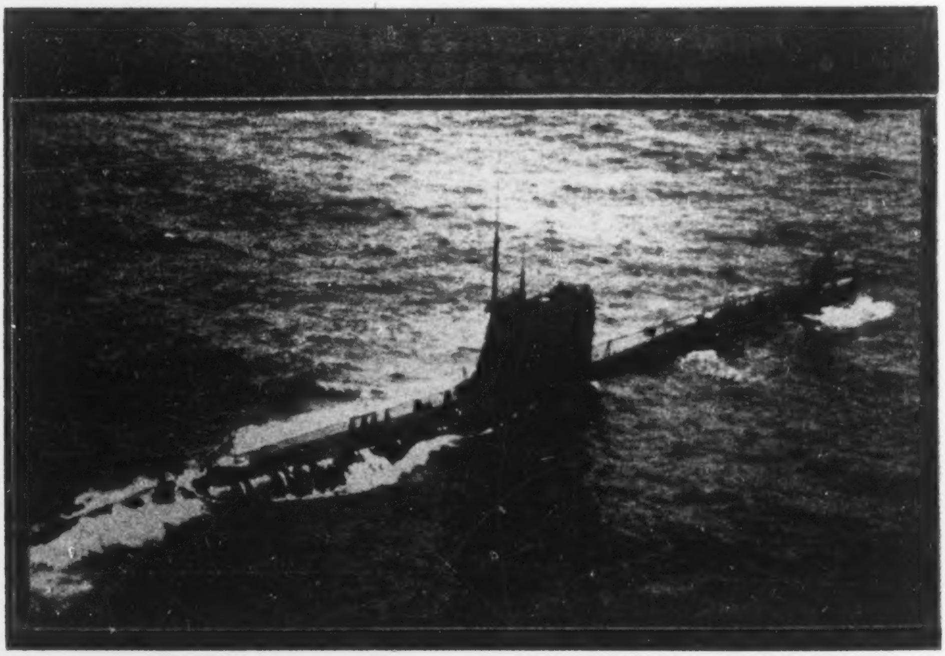
TO CREATE SUCH TURMOIL IN THE CARIBBEAN BASIN THAT THE U.S. MUST DIVERT ATTENTION AND MILITARY RESOURCES FROM AREAS CRITICAL TO THE SOVIETS.

5. Soviet policy goals summarized from their own writings and journals indicate that the Soviets see considerable advantage in fostering revolution in this hemisphere.

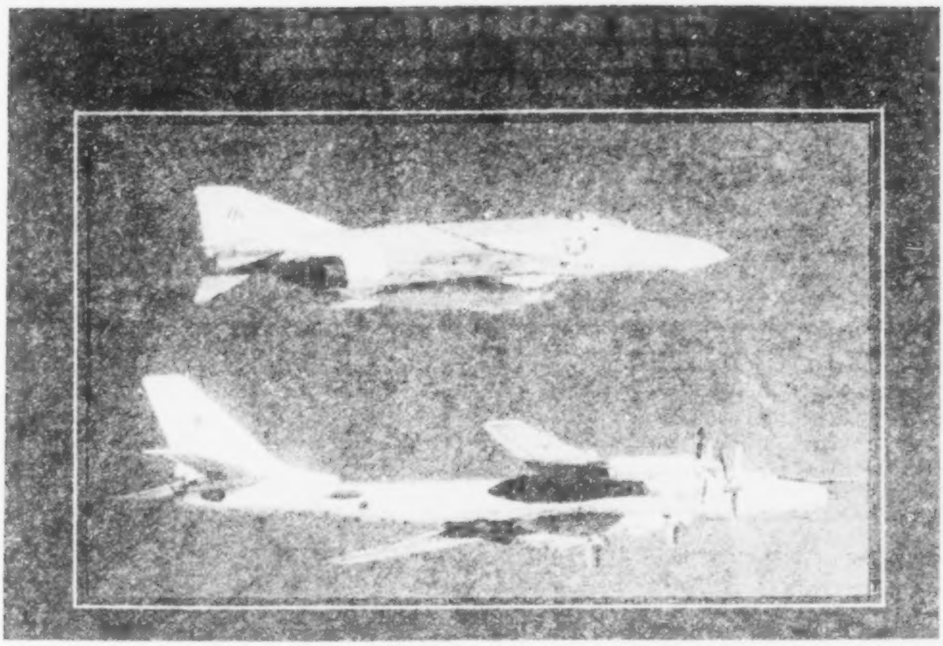


6. The Soviets have backed their policy with more than just rhetoric. They are consistently outspending us in our own hemisphere—both economically and militarily.

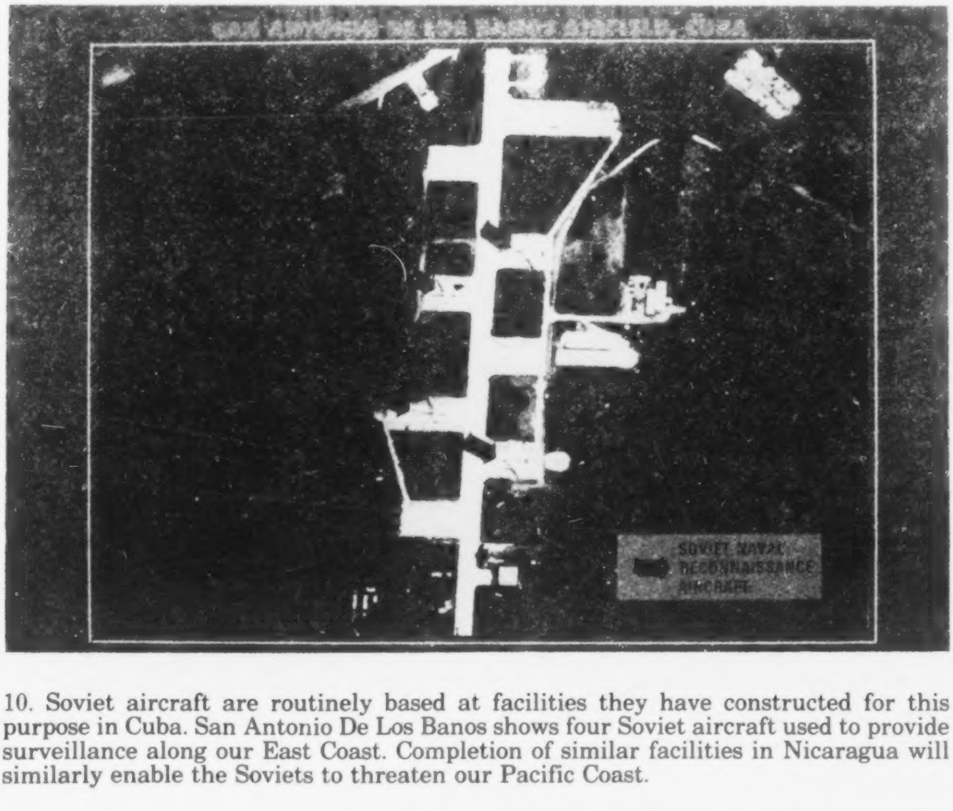
7. This 1985 photograph of a Soviet surface action battle group was taken just miles off the Louisiana coast. The Soviets and their surrogates no longer consider the Caribbean to be an "American lake." Deployments such as these send a clear message to our friends in the region that the United States no longer controls the water frontiers off our own coast line. To Mexico, Guatemala, Honduras and Costa Rica this serves as intimidation.



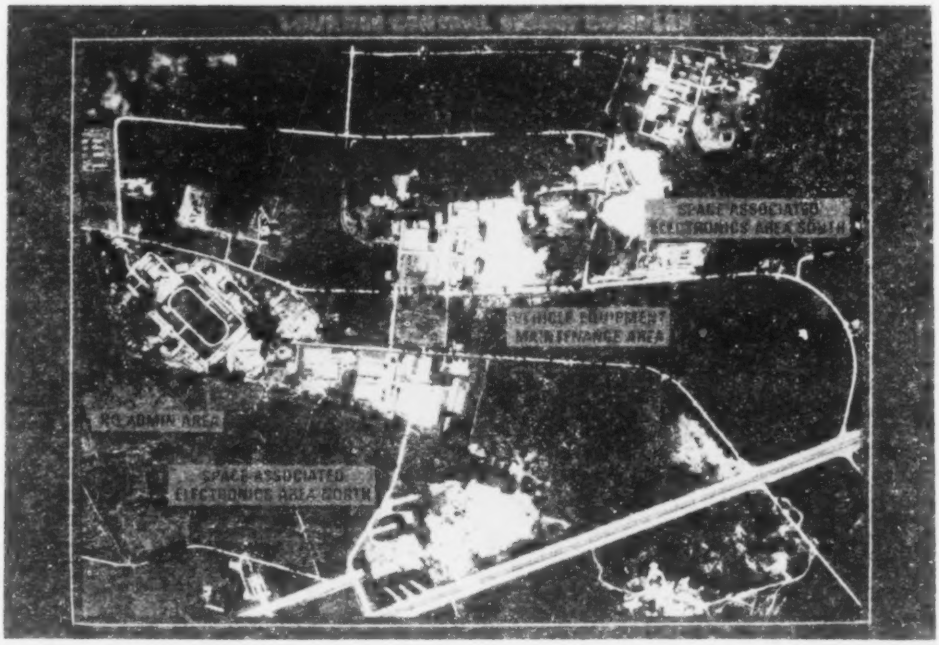
8. The Soviets have supplied Cuba with sufficient numbers of diesel submarines to threaten U.S. resupply for Europe in the event of war. In World War II Hitler was able to sink nearly 45% of American shipping headed for Europe with submarines based 4,000 miles away. These submarines are based less than 150 miles away.



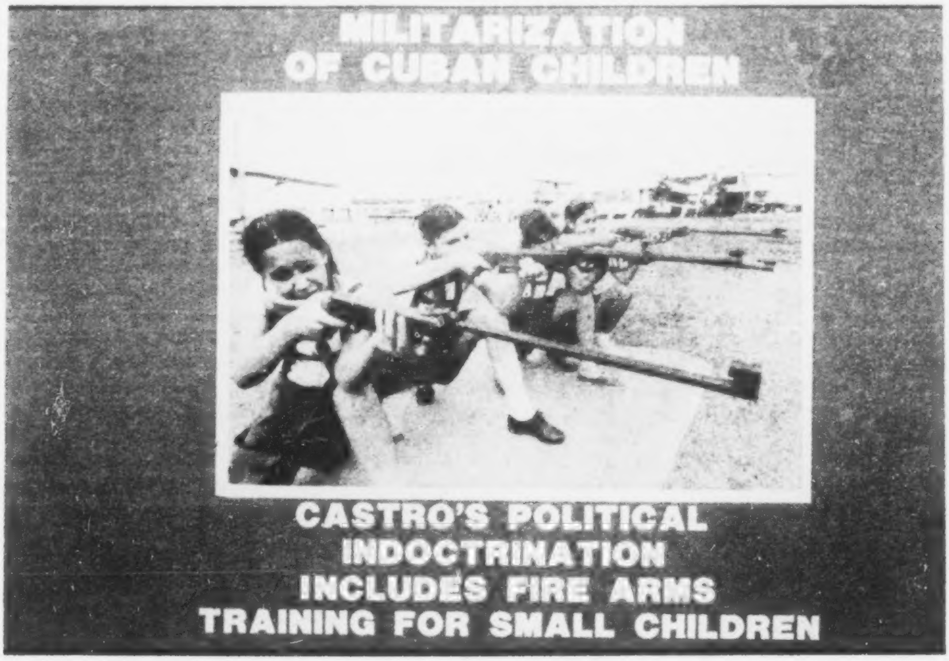
9. Soviet bases in Cuba allow aircraft such as this Soviet BEAR Naval reconnaissance flight to land in Cuba after surveilling U.S. military installations on our East Coast. This photograph was taken just 13 miles off the Virginia Capes and, while the Soviet bomber is being escorted by a Navy fighter, the fighter cannot interfere with Soviet intelligence collection.


SAN ANTONIO DE LOS BANOS AIRFIELD, CUBA
SOVIET NAVAL RECONNAISSANCE AIRCRAFT

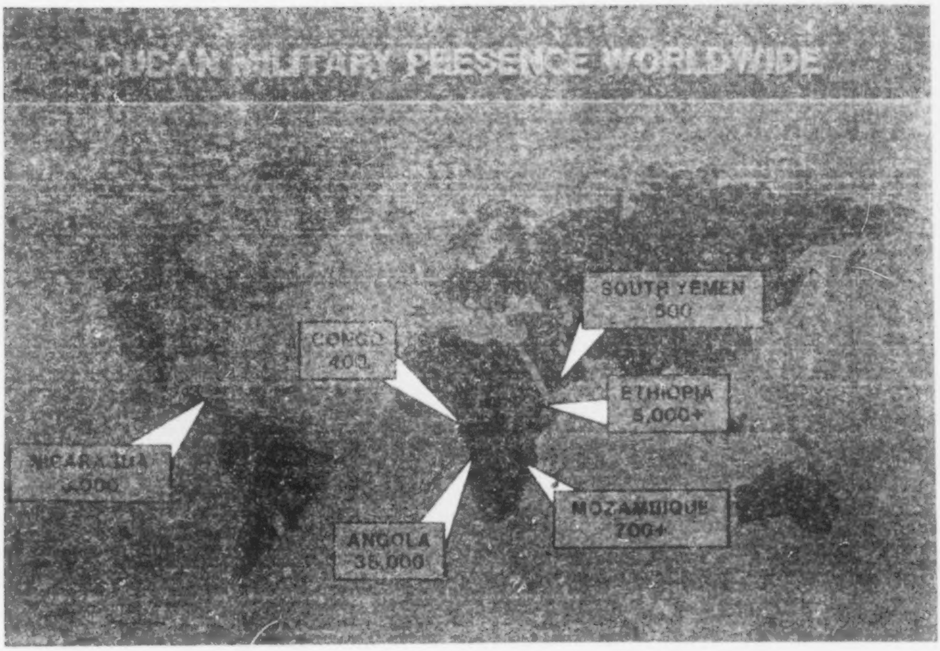
10. Soviet aircraft are routinely based at facilities they have constructed for this purpose in Cuba. San Antonio De Los Banos shows four Soviet aircraft used to provide surveillance along our East Coast. Completion of similar facilities in Nicaragua will similarly enable the Soviets to threaten our Pacific Coast.


SPACE ASSOCIATED
ELECTRONICS AREA SOUTH
VEHICLE EQUIPMENT
MAINTENANCE AREA
HQ ADMIN AREA
SPACE ASSOCIATED
ELECTRONICS AREA NORTH

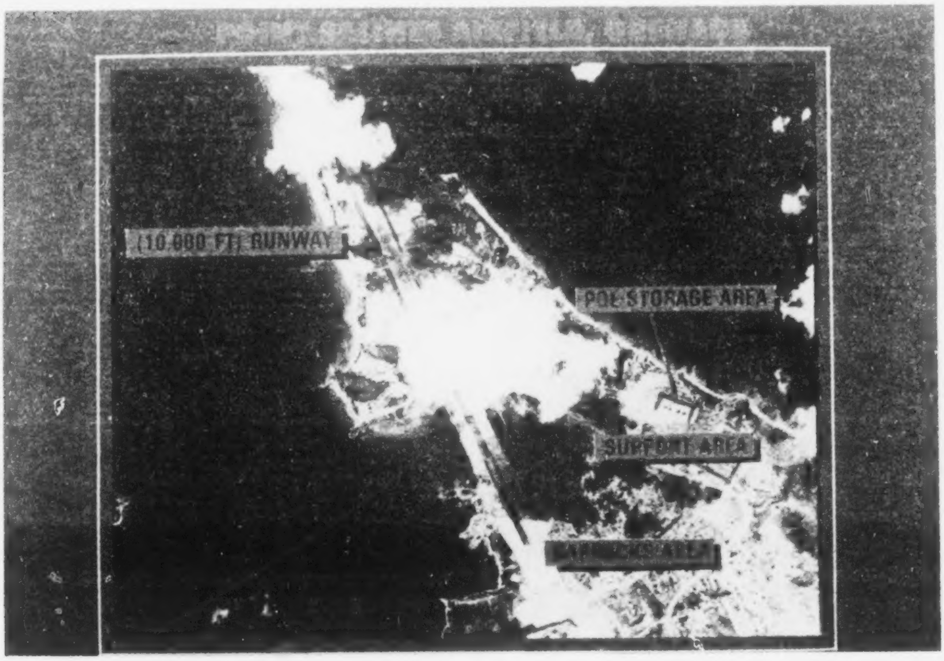
11. The Soviet intelligence collection site at Lourdes, Cuba is the largest signals intelligence site outside the Soviet Union. This site is manned and operated by Soviets not Cubans and is used to intercept our communications—particularly telephone and satellite communications on which we rely for most of our military and diplomatic message traffic.


MILITARIZATION
OF CUBAN CHILDREN
CASTRO'S POLITICAL
INDOCTRINATION
INCLUDES FIRE ARMS
TRAINING FOR SMALL CHILDREN

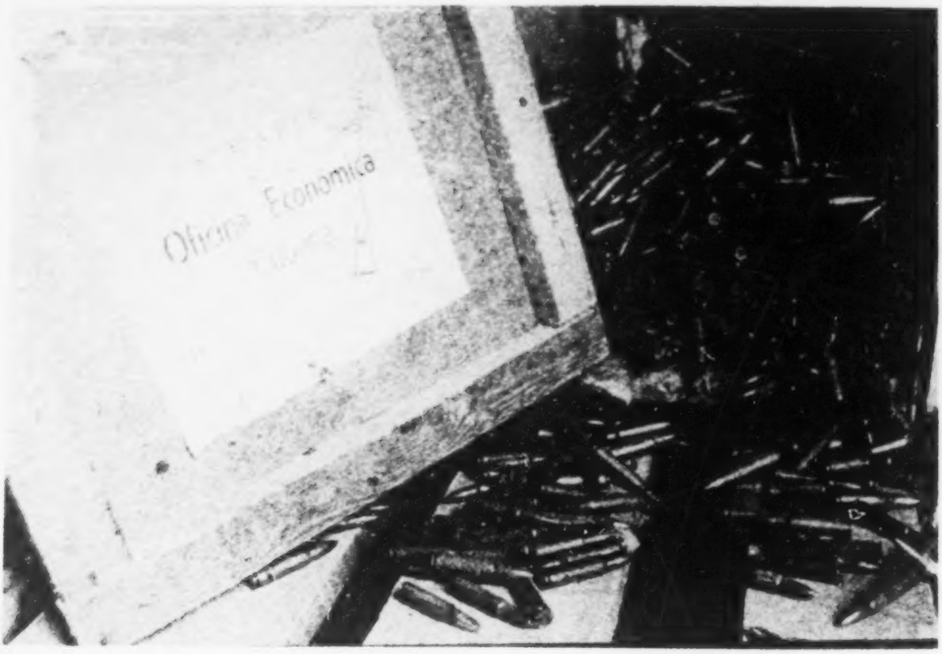
12. The Soviets have not stopped at constructing facilities. The youth of Cuba are prepared for military service in grade school. Political indoctrination and military training are part of the education for the smallest children.


CUBAN MILITARY PRESENCE WORLDWIDE
SOUTH YEMEN 500
CONGO 400
ETHIOPIA 5,000+
NICARAGUA
ANGOLA 35,000
MOZAMBIQUE 700+

13. These children become the mercenary army for the Soviet empire. Cuban troops are deployed world-wide in support of Soviet strategic interests and serve wherever their Soviet masters desire.


(10,000 FT) RUNWAY
POL STORAGE AREA
SUPPORT AREA

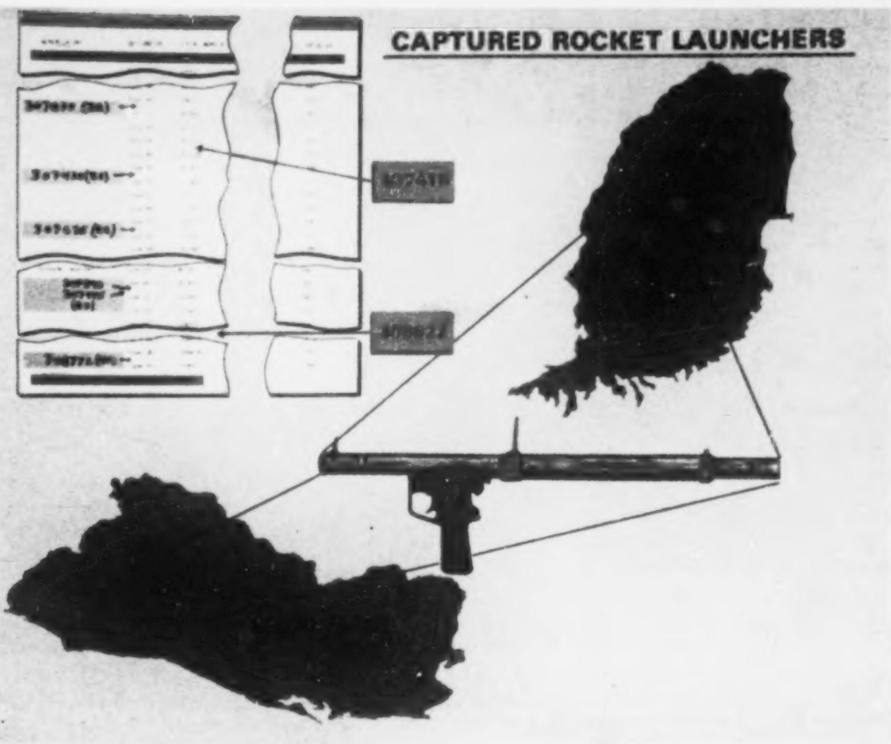
14. Grenada, until October of 1983, offered a similar opportunity for Soviet expansion in this hemisphere. The runway at Point Salines and its associated military facilities alerted us to the fact that something was seriously wrong on this little island.


Oficina Economica

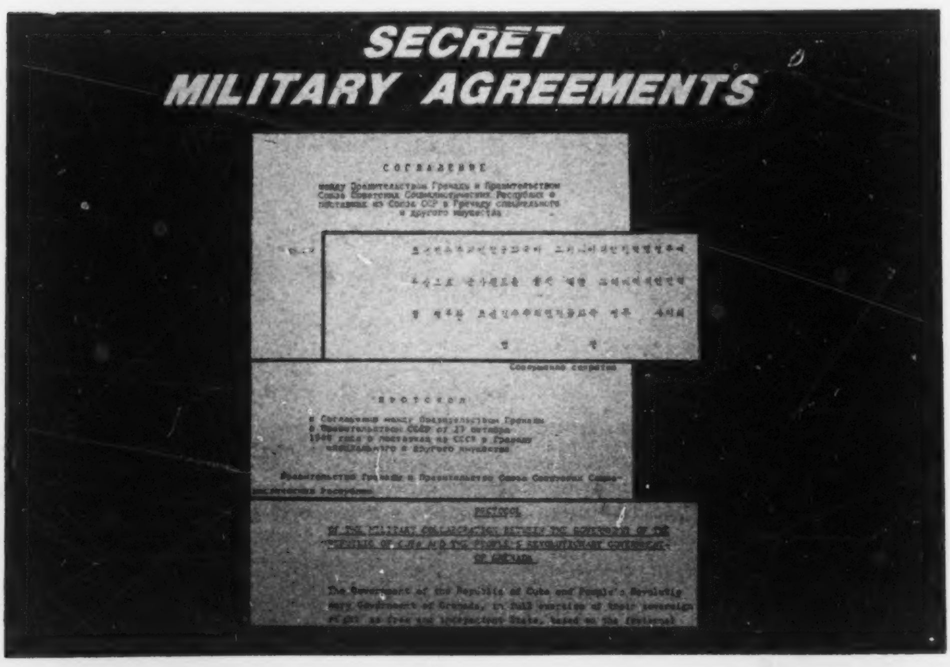
15. When American and Caribbean troops arrived in Grenada on the rescue mission in October of 1983, they found warehouses full of "Cuban economic aid" in the form of tons of munitions and weapons.

TYPE 56
CHINESE
GRENADE
LAUNCHER

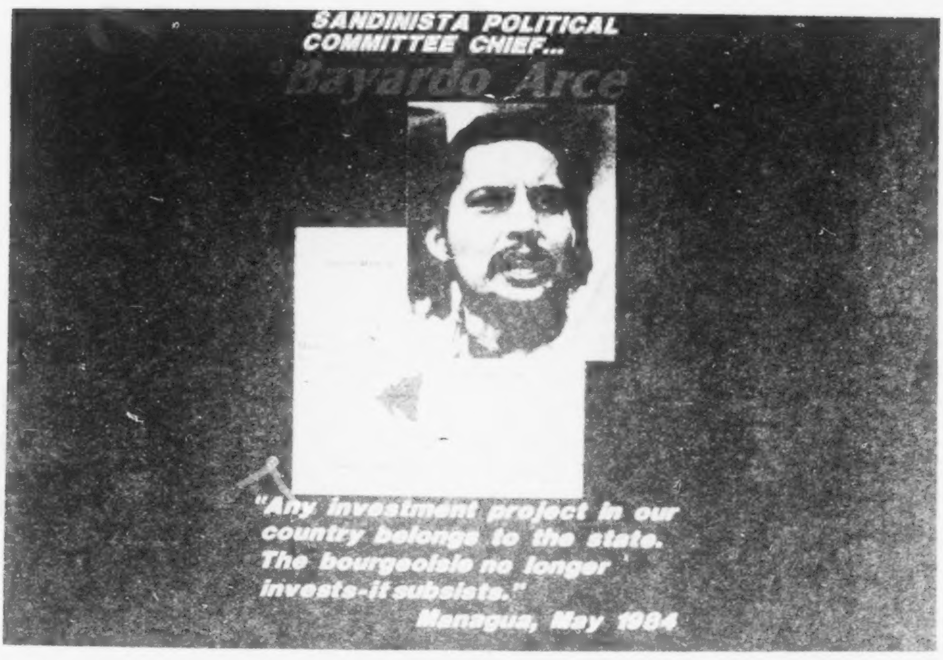
16. Careful research after the Grenada rescue mission shows that the little island of Grenada was being used as a subversion base for Latin America. This rocket propelled grenade (RPG) launcher was captured in El Salvador from Communist guerillas.


CAPTURED ROCKET LAUNCHERS

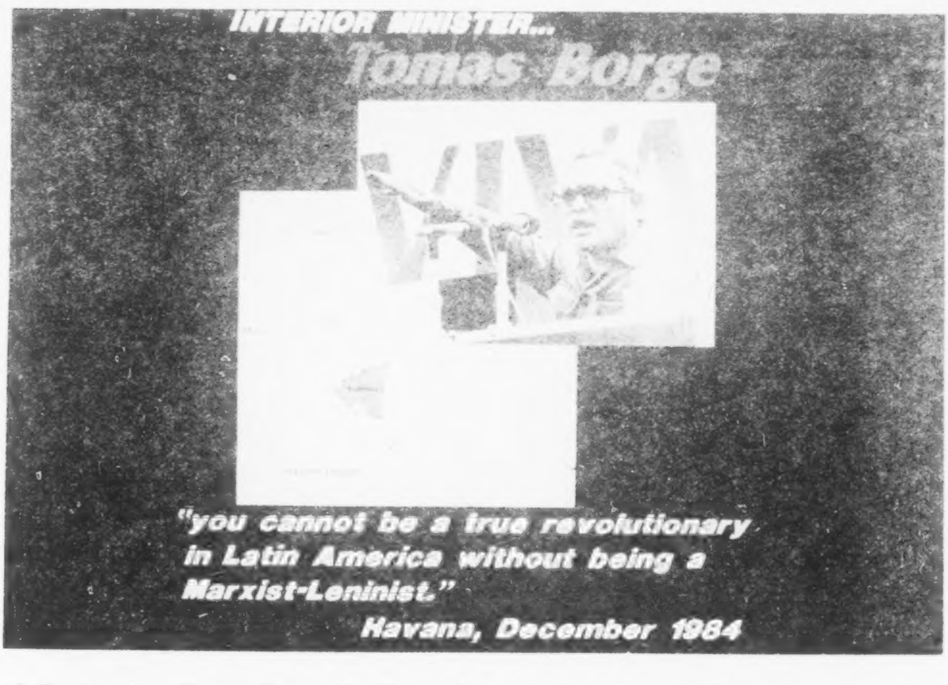
17. Inventory lists of weapons held on Grenada indicate that the Salvadoran RPG, along with many other weapons, had been transhipped through Grenada with the support of the Cubans. Interestingly enough, this particular RPG probably was provided by the Communist government in Vietnam, sent to Cuba, then to Nicaragua and on to the FMLN Communist guerillas in El Salvador.


SECRET
MILITARY AGREEMENTS

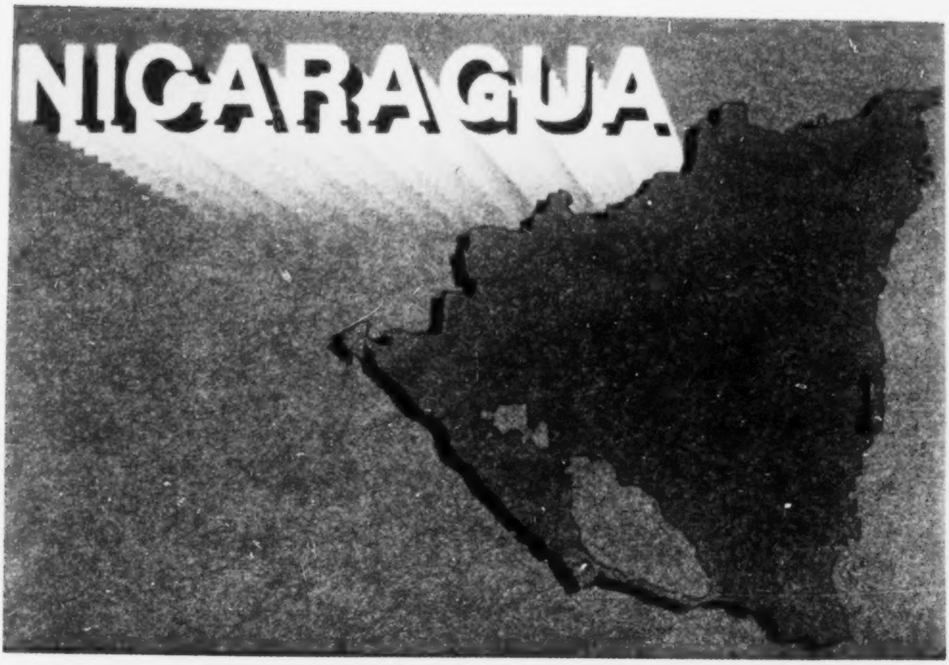
18. Secret military agreements found in the Cuban Embassy and in the Party offices in Grenada indicate that the Soviets and their surrogates had even bigger plans which were aborted by the rescue mission.


SANDINISTA POLITICAL
COMMITTEE CHIEF...
Bayardo Arce
"Any investment project in our
country belongs to the state.
The bourgeoisie no longer
invests-it subsists."
Managua, May 1984

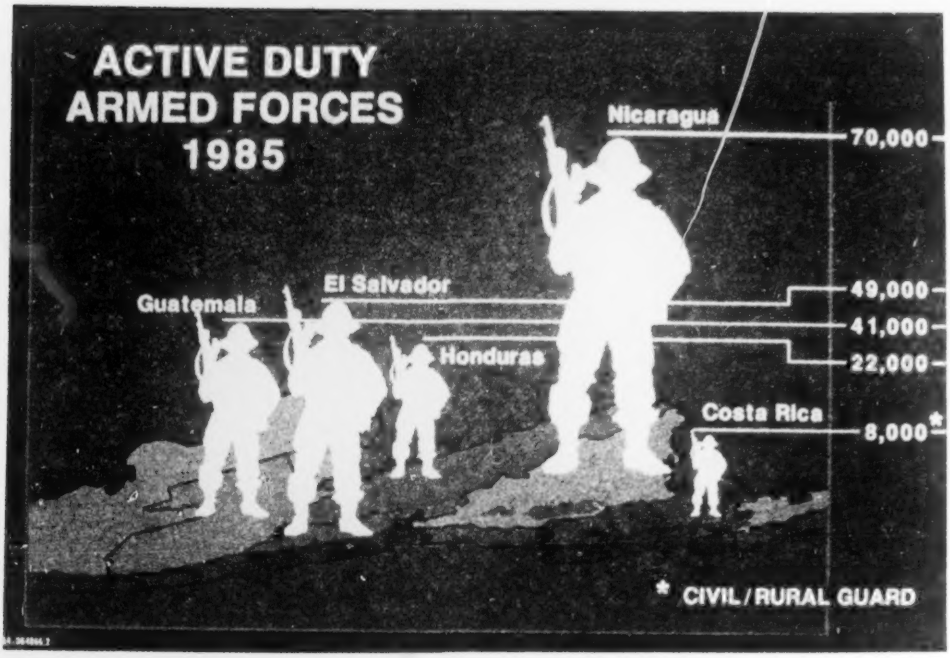
35. Bayardo Arce, regarded by some to be the Sandinista's "Che Gueverra," clearly believes in spreading the Communist philosophy throughout the region.


INTERIOR MINISTER...
Tomas Borge
"you cannot be a true revolutionary
in Latin America without being a
Marxist-Leninist."
Havana, December 1984

36. So, too, does Tomas Borge, the Sandinista Interior Minister. Borge doesn't run the National Parks—he runs the secret police. Yet somehow there are many who seem to believe that these people who run Nicaragua today want to live peacefully side by side with democracy. Their own statements deny the fact. By their words we should know them.

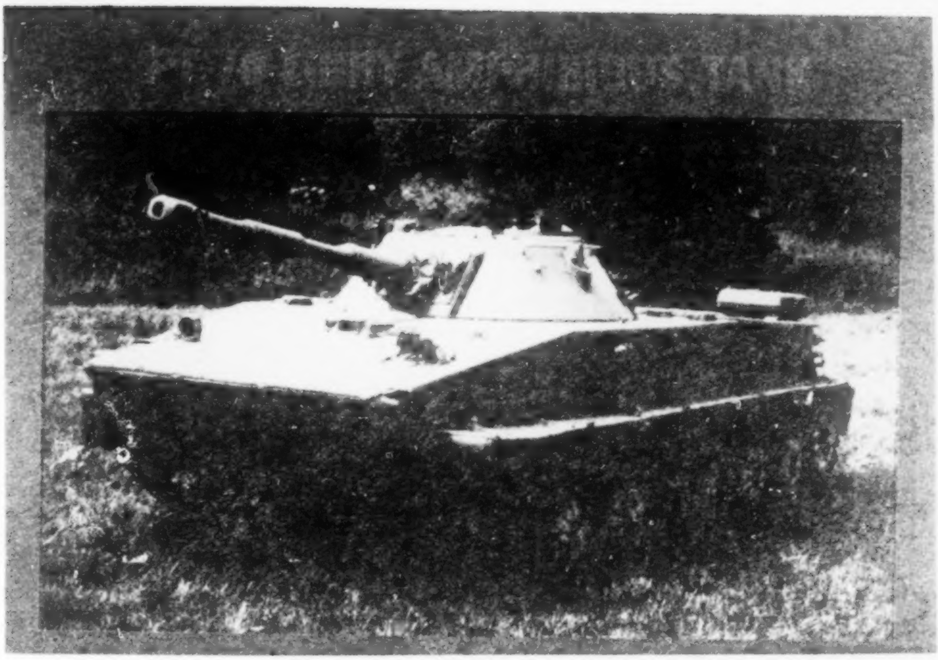


19. Soviet designs for this hemisphere have not stopped with Cuba and Grenada. The Soviets clearly see Nicaragua as the best opportunity for advancing their cause in the hemisphere. Approximating the size of the State of Iowa or Michigan, Nicaragua is today the only country in Latin America with a decreasing population. The Nicaraguan people, once numbering about 3 million, are fleeing the Communist takeover of their country by the thousands.

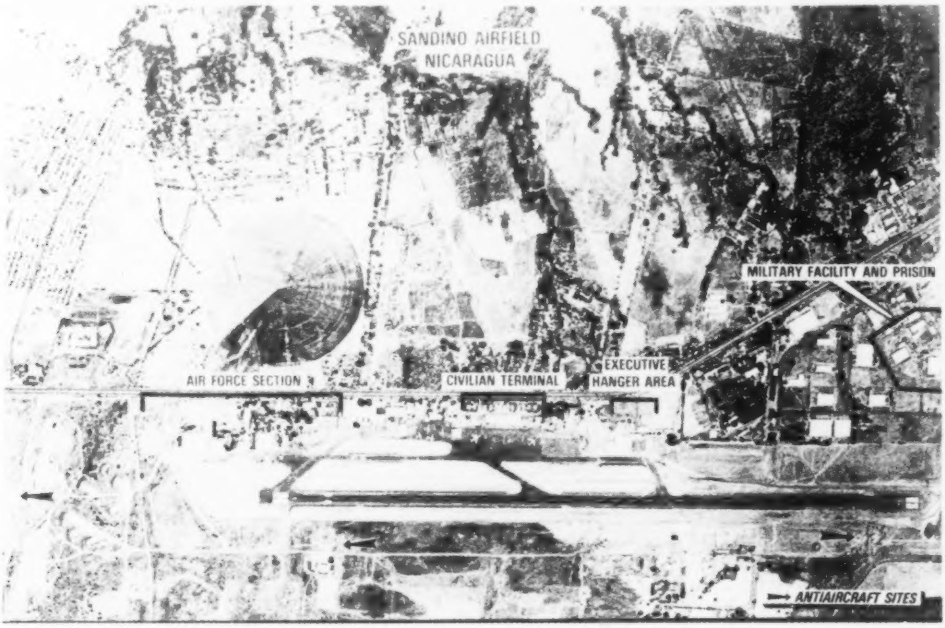


20. Today, Nicaragua has the largest army ever raised in Central America. By 1985, with the support of the Soviet Bloc, and with advisers from the USSR, Cuba, East Germany, Bulgaria, Libya, North Korea and the PLO, the Communist regime in Managua had built the most combat-capable military machine ever seen in Central America. This military capability has two primary purposes—intimidation of its neighbors and the indoctrination of its population.

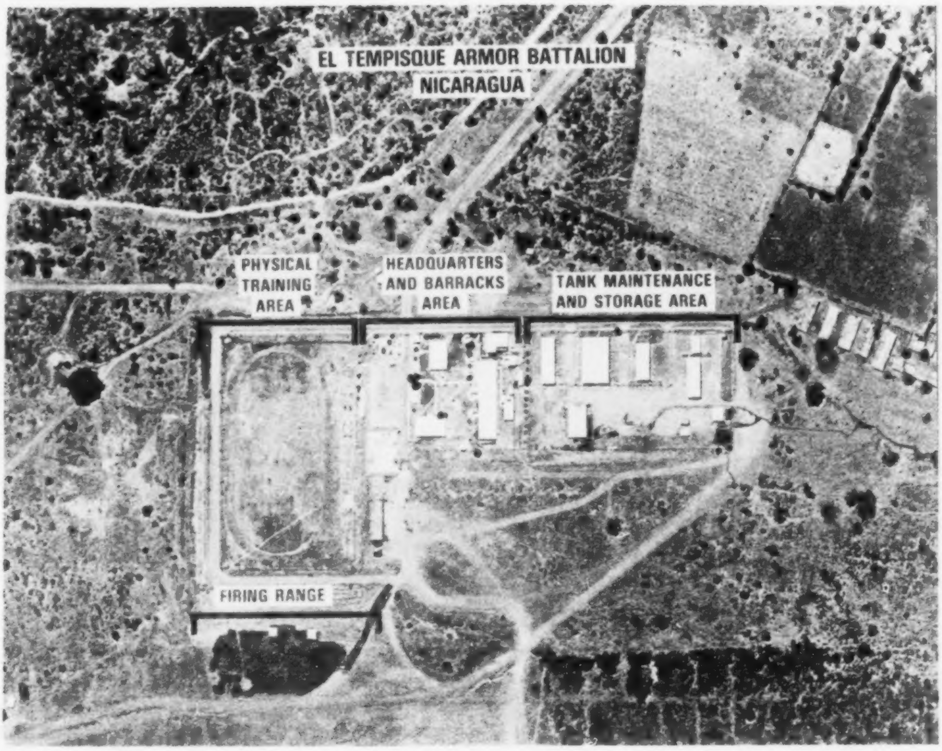
21. To support this military build-up, enormous quantities of military hardware have been delivered to the Sandinistas. The Soviets have provided more than 150 of these T–55 tanks, more than all the rest of the armor in Central America combined.



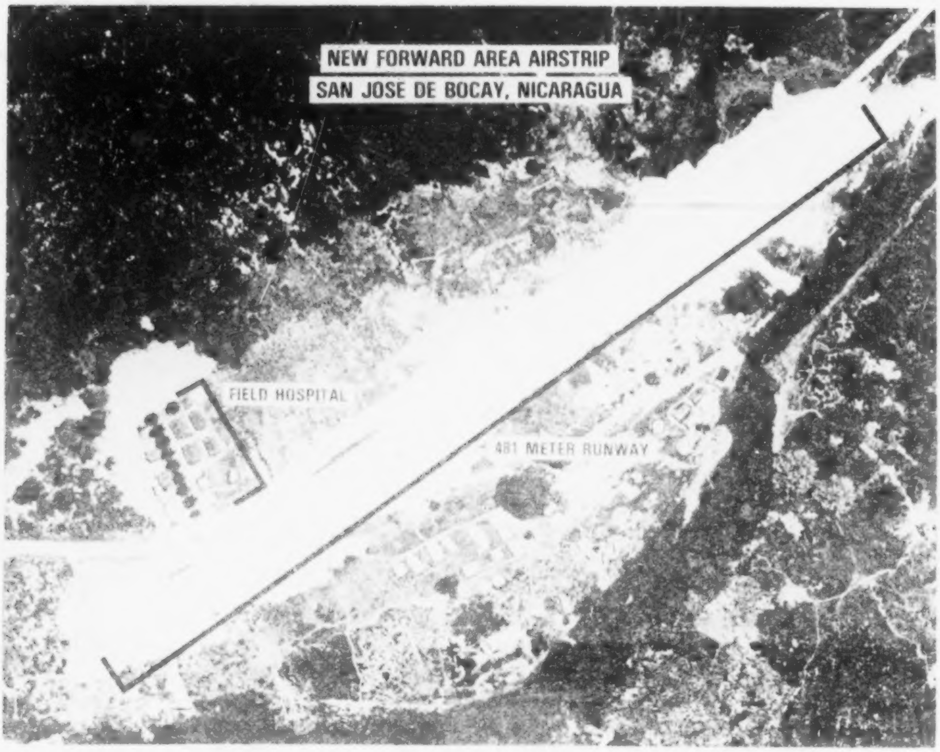
22. PT-76 tanks like these and other armored vehicles provide an offensive capability that threatens the stability of the entire region.


SANDINO AIRFIELD
NICARAGUA
MILITARY FACILITY AND PRISON
AIR FORCE SECTION
CIVILIAN TERMINAL
EXECUTIVE
HANGER AREA
ANTIAIRCRAFT SITES

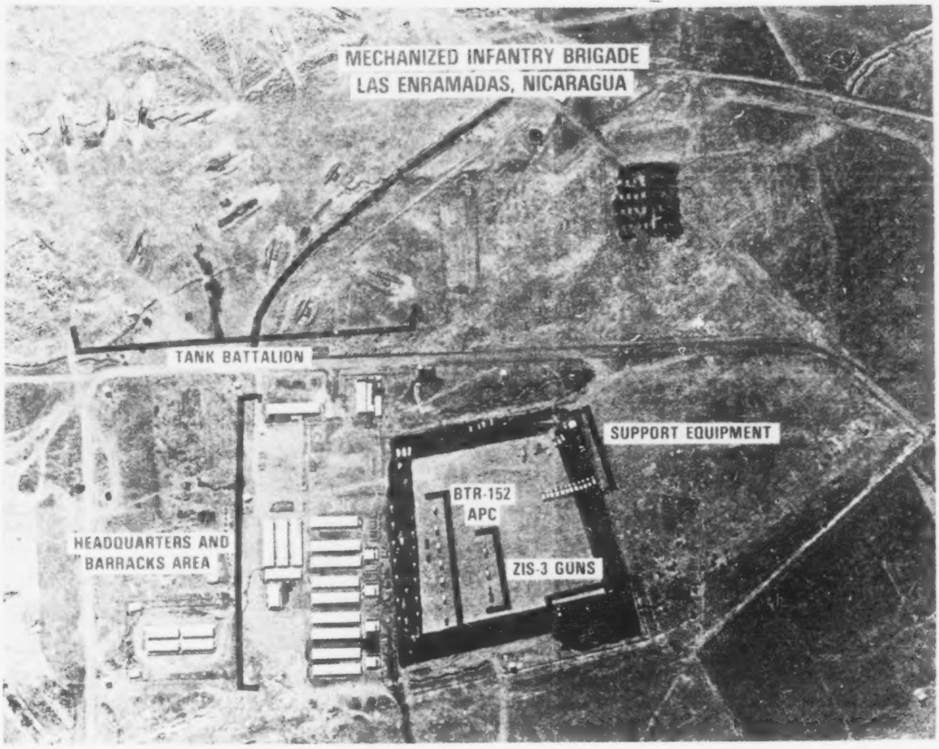
23. Soviet Bloc support has turned the civilian airfield at Sandino into a military bastion.


EL TEMPISQUE ARMOR BATTALION
NICARAGUA
PHYSICAL TRAINING AREA
HEADQUARTERS AND BARRACKS AREA
TANK MAINTENANCE AND STORAGE AREA
FIRING RANGE

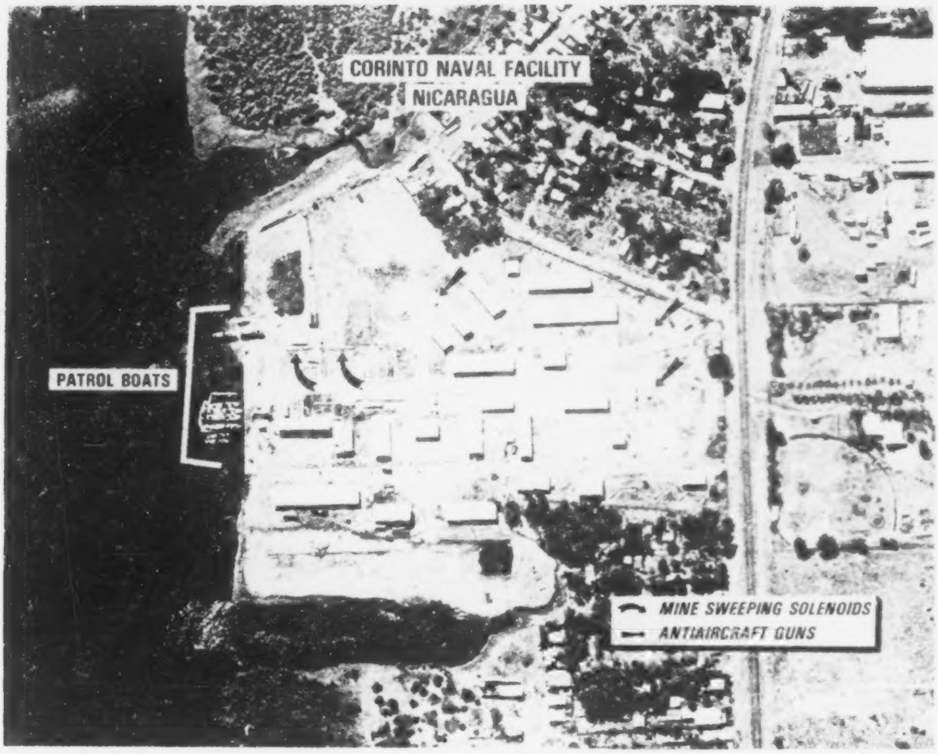
24. The El Tempisque Armor staging area is the largest in the region and was built in accordance with Soviet design.


NEW FORWARD AREA AIRSTRIP
SAN JOSE DE BOCAY, NICARAGUA
FIELD HOSPITAL
481 METER RUNWAY

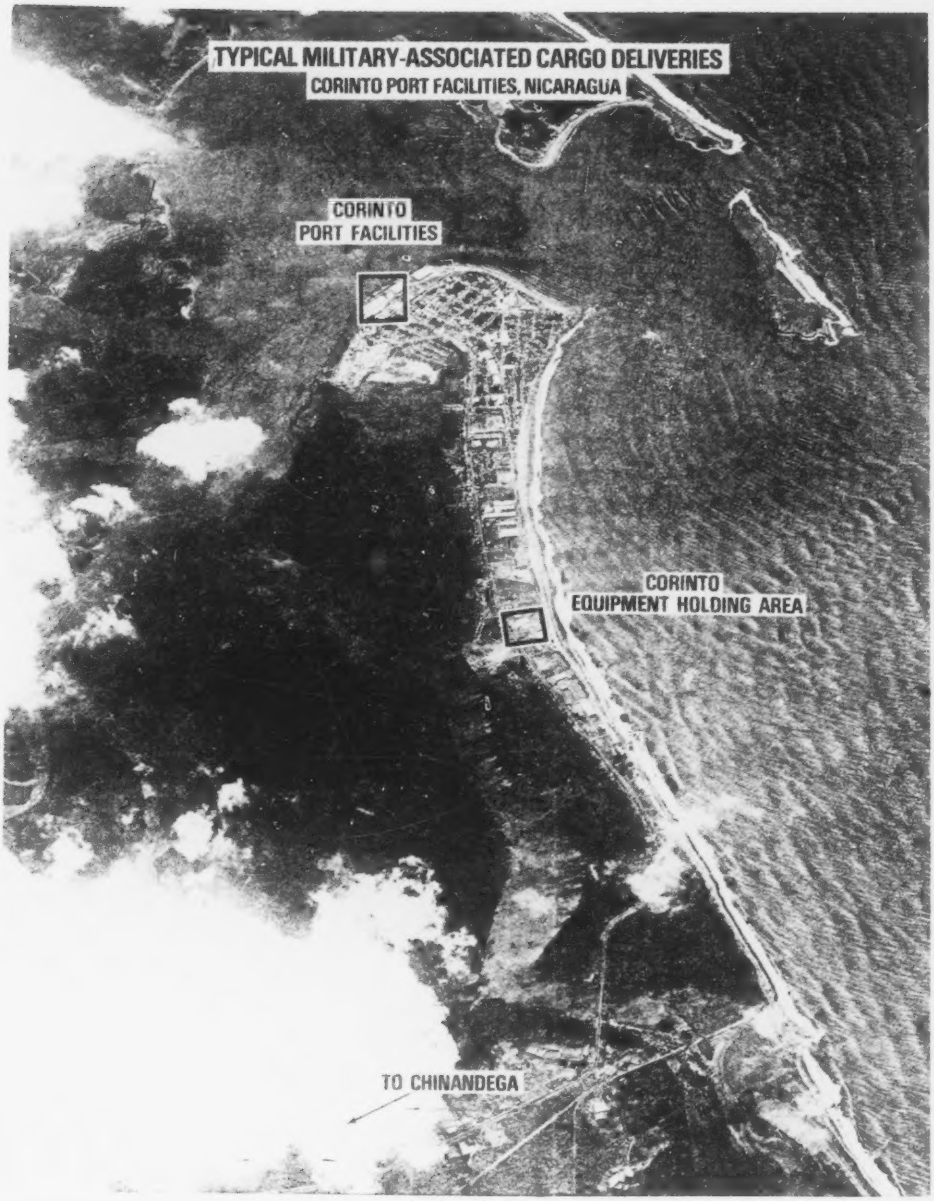
25. The forward airstrip at San Jose De Bocay, built to Soviet and Cuban design, provides not only a means of attacking the Nicaragua resistance, but threatens Honduras as well.


MECHANIZED INFANTRY BRIGADE
LAS ENRAMADAS, NICARAGUA
TANK BATTALION
SUPPORT EQUIPMENT
BTR-152
APC
HEADQUARTERS AND
BARRACKS AREA
ZIS-3 GUNS

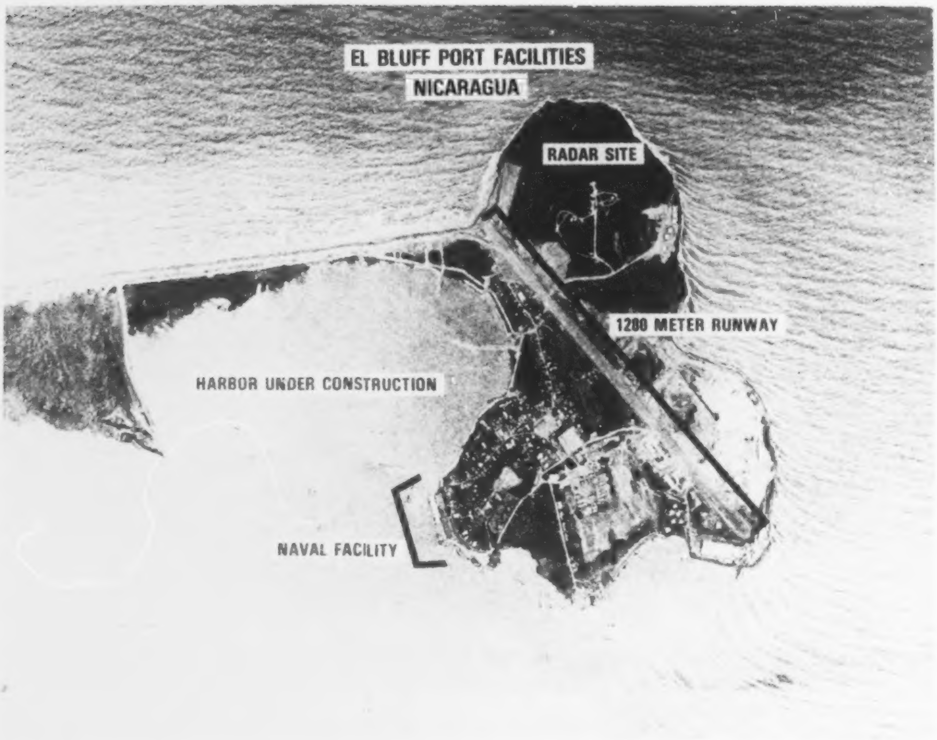
26. So too does the Mechanized Infantry Brigade at Las Enramadas, located along the main attack route into Honduras.


CORINTO NAVAL FACILITY
NICARAGUA
PATROL BOATS
MINE SWEEPING SOLENOIDS
ANTIAIRCRAFT GUNS

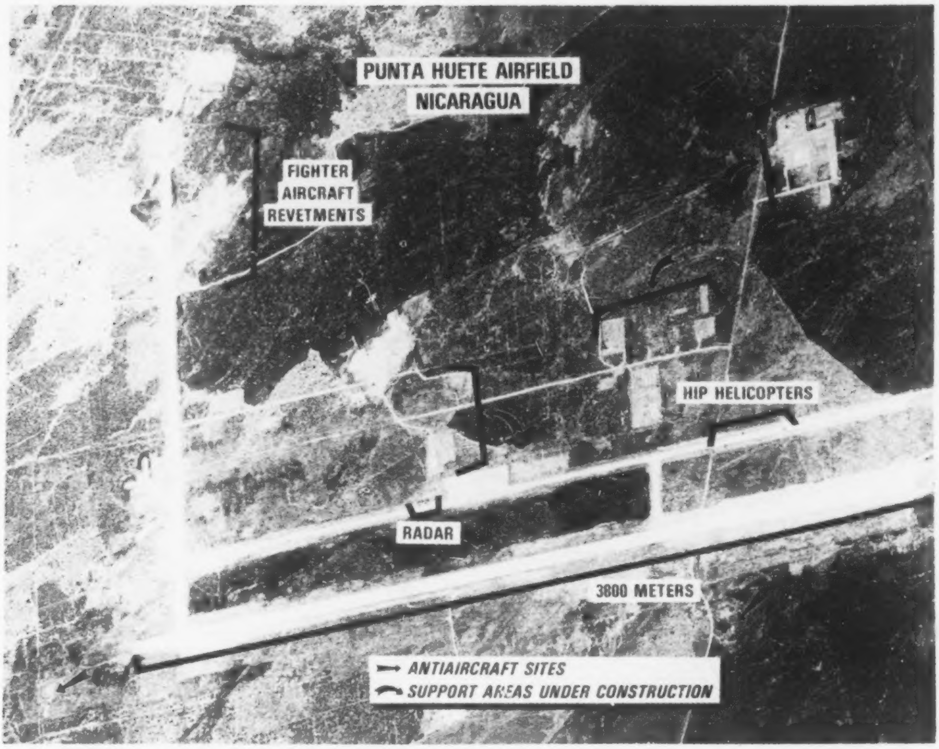
27. The Soviet improvements to the Pacific Coast port at Corinto have turned this peacetime port into a Naval facility which threatens Honduras and El Salvador. Firepower like that on the Soviet and Korean patrol boats shown here has never before been seen in the region.


TYPICAL MILITARY-ASSOCIATED CARGO DELIVERIES
CORINTO PORT FACILITIES, NICARAGUA
CORINTO
PORT FACILITIES
CORINTO
EQUIPMENT HOLDING AREA
TO CHINANDEGA

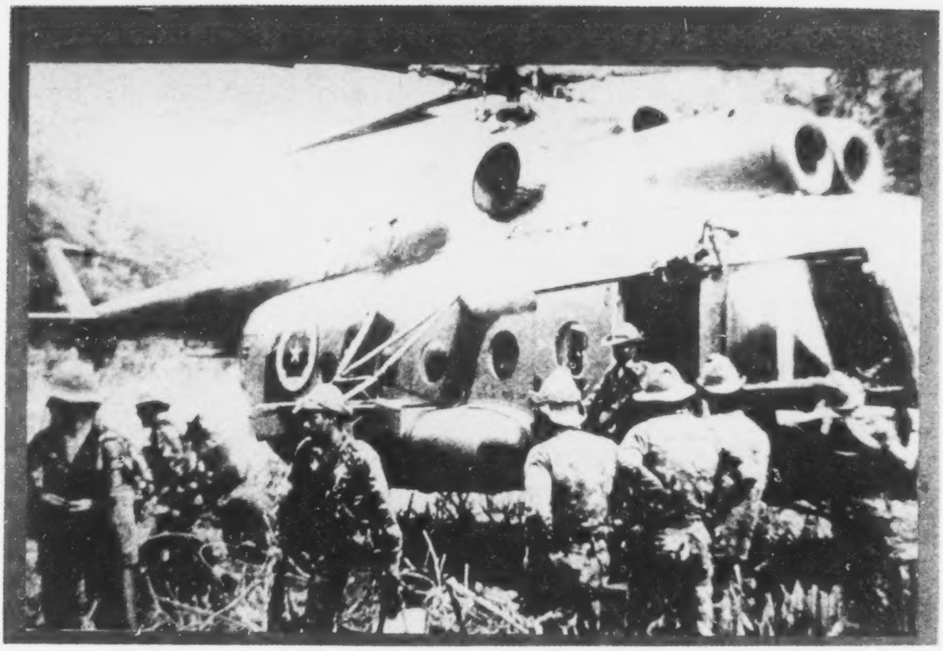
28. Corinto is also used as a main depot for receiving Soviet military supplies shipped to the Pacific side of Nicaragua.


EL BLUFF PORT FACILITIES
NICARAGUA
RADAR SITE
1280 METER RUNWAY
HARBOR UNDER CONSTRUCTION
NAVAL FACILITY

29. Bulgarian and Soviet supervised construction at El Bluff on the Atlantic Coast offers a "two ocean" capability to the Soviet Navy. When completed, this port and airfield complex will allow Soviet Bloc ships to base under aircover on the Atlantic Coast of the mainland of the Americas.


PUNTA HUETE AIRFIELD
NICARAGUA
FIGHTER
AIRCRAFT
REVETMENTS
HIP HELICOPTERS
RADAR
3800 METERS
ANTIAIRCRAFT SITES
SUPPORT AREAS UNDER CONSTRUCTION

30. The Punta Huete Airfield, when completed, will allow any aircraft in the Soviet inventory to launch or recover in Nicaragua. Punta Huete is larger than Andrews Air Force Base and is the largest military airfield in all of Central America. Aircraft based at this facility are protected by Soviet designed revetments from air and ground attack and pose a threat from the Panama Canal to the United States.



31. Initial Soviet support to Nicaragua was not always as blatant as what we have seen in the preceding reconnaissance photographs. Initially the Soviets tried to disguise their deliveries and the Nicaragua military build up. Attack helicopters like this MI-8 HIP were originally sent to the Sandinistas as "agricultural support equipment." Note the unique agricultural uniforms and the "agricultural rocket launcher" on this attack helicopter, which bears the Sandinista party emblem.

32. The Soviets have provided a large number of these MI-24 HIND assault helicopters to the Sandinistas. These "flying tanks" have proven devastating to the Afghan resistance and the Freedom Fighters in Angola and are now being used against the Contras in Nicaragua. The Soviets deliver, assemble and test fly these machines of death which are then flown in combat by Cuban and Nicaraguan pilots. This assault helicopter is the most lethal assault helicopter in the world today. Without effective antiaircraft weapons, like surface-to-air missiles, the Contras are highly vulnerable to these weapons.

SOVIET AN-30 CLANK IN NICARAGUA

33. Not content simply to deliver material and advice from the sidelines, the Soviets have also flown reconnaissance missions for the Sandinistas in an AN-30 reconnaissance aircraft—disguised as an Aeroflot commercial plane. This one was photographed at Sandino Airfield outside Managua.

DEFENSE MINISTER...
Humberto Ortega

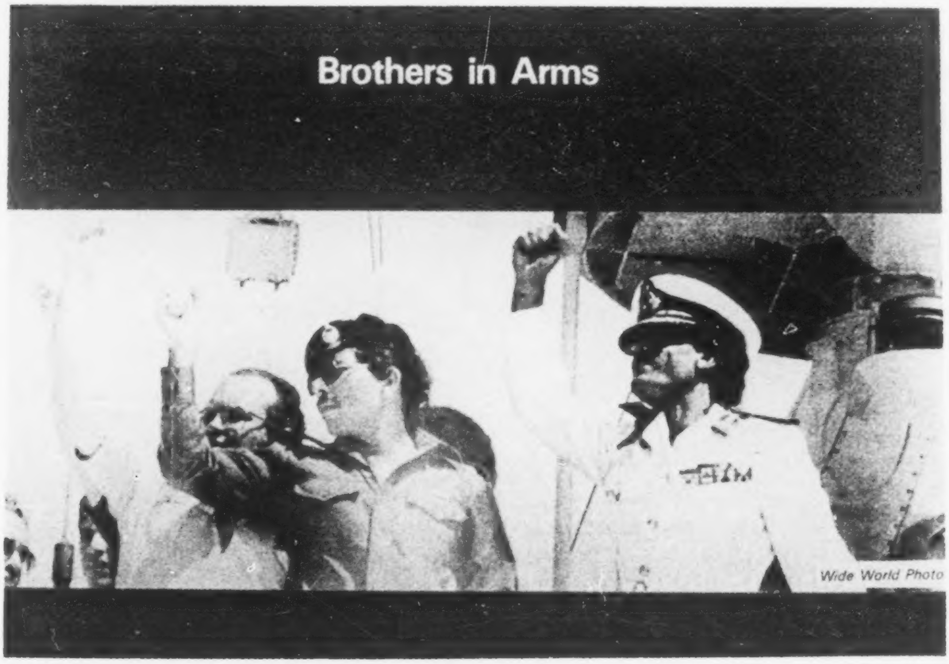
"Marxism-Leninism is the scientific doctrine that guides our revolution... Our doctrine is Marxism-Leninism."

Managua, August 1981

34. For some reason many have been unable to see what the Sandinistas really represent. Yet their words have been true to their purpose all along. Humberto Ortega, the Sandinista Defense Minister, is the brother of Nicaragua's "President"—a mirror image of that organization in Cuba where Fidel's brother, Raul, is the Defense Minister.

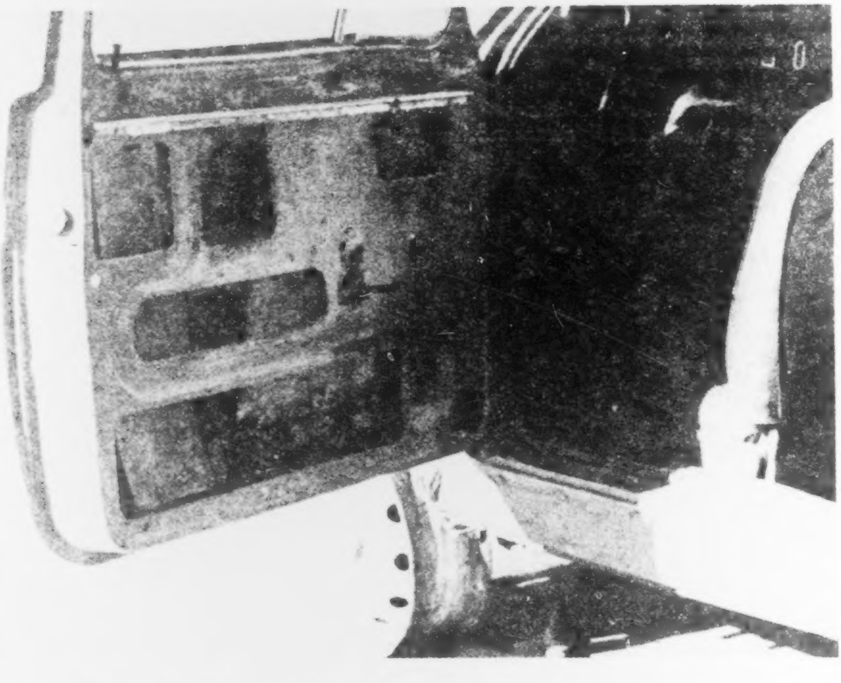
Wide World Photo

37. Daniel Ortega, shown here with his mentor Fidel Castro, can no longer disguise the fact that the believes in Lenin's philosophy of a "vanguard of the revolution."

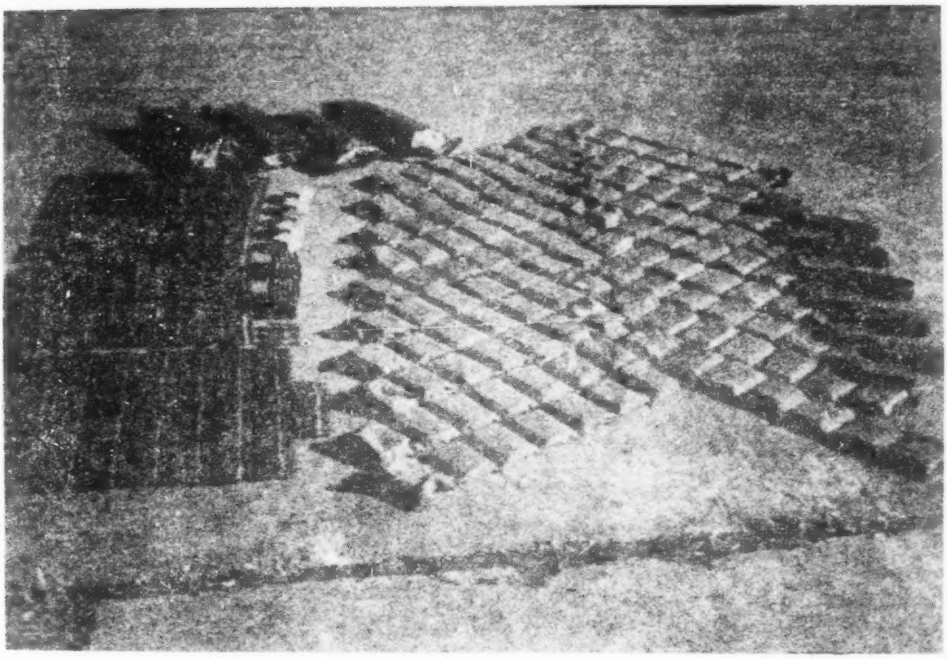


Wide World Photo

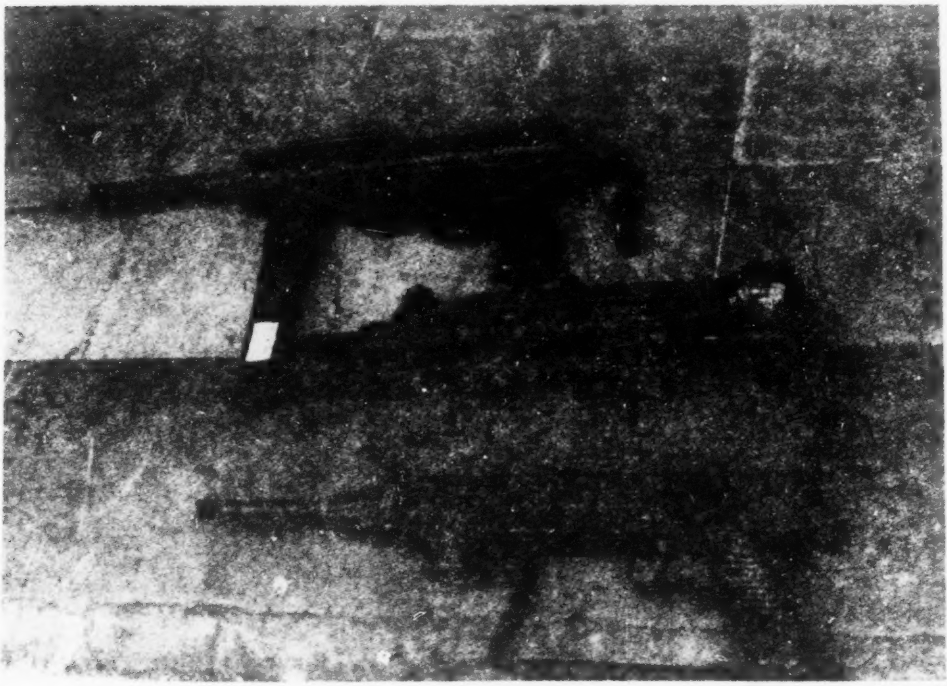
38. These "brothers in arms"—Daniel Ortega, Muammar Qadaffi and Miguel D'escoto (Nicaragua's Foreign Minister)—clearly pose a threat to the United States and place at risk American interests in our own hemisphere.



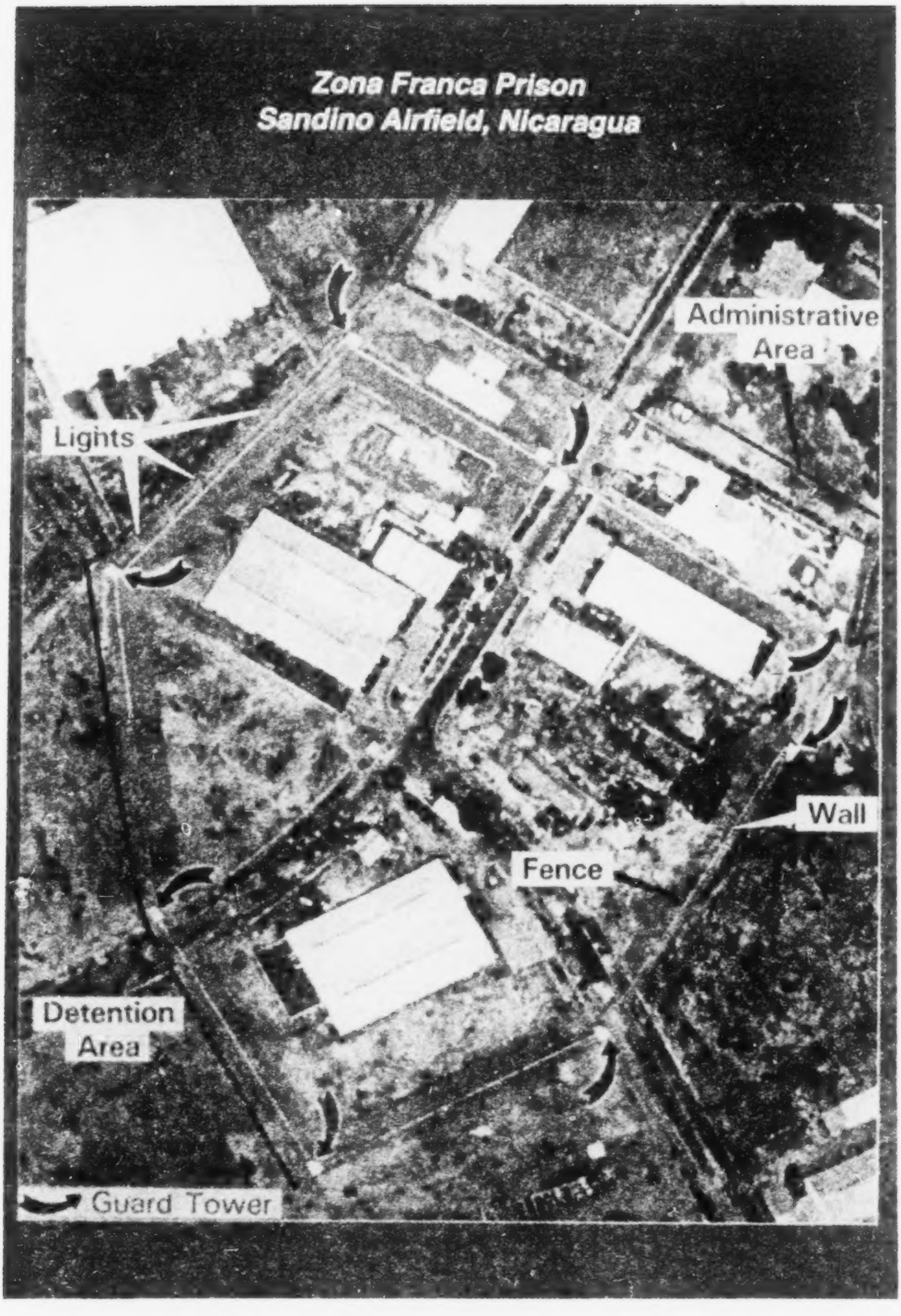
39. and 40. Sandinista efforts to destabilize democracies in the region take many forms. Last year this car—a Soviet-built Lada—crashed into a bridge abutment in Honduras. When police officials became suspicious about the documents carried by the two occupants, they checked more carefully and found that the automobile bearing false Costa Rican license tags had more than a dozen secret compartments.



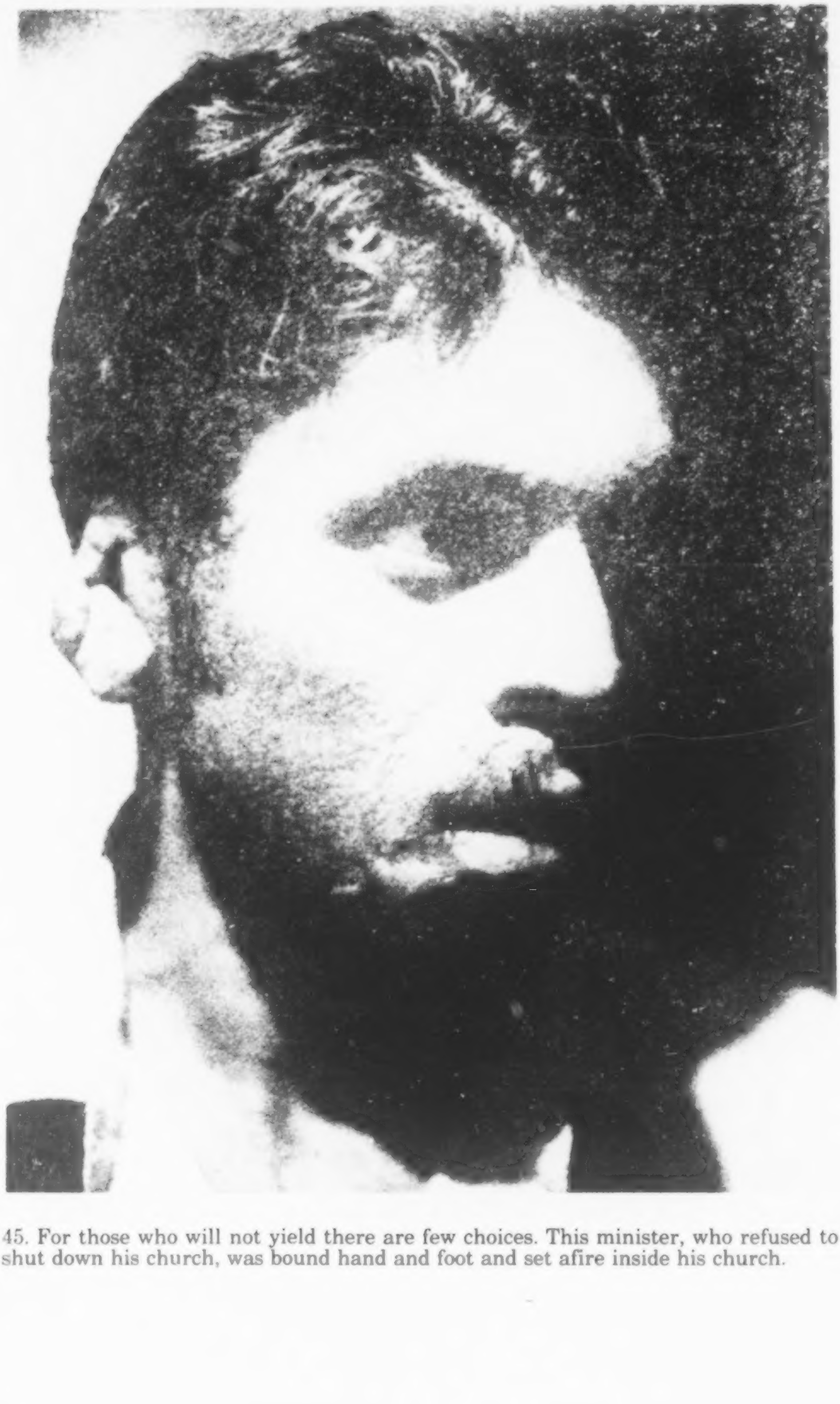
41. The contents of those secret compartments revealed direct Nicaraguan connections to the Communist guerillas in El Salvador. The ammunition, code books, instructions, East German agent radios and counterfeit currency were to be used by the FMLN in their attacks against the struggling democracy in El Salvador.



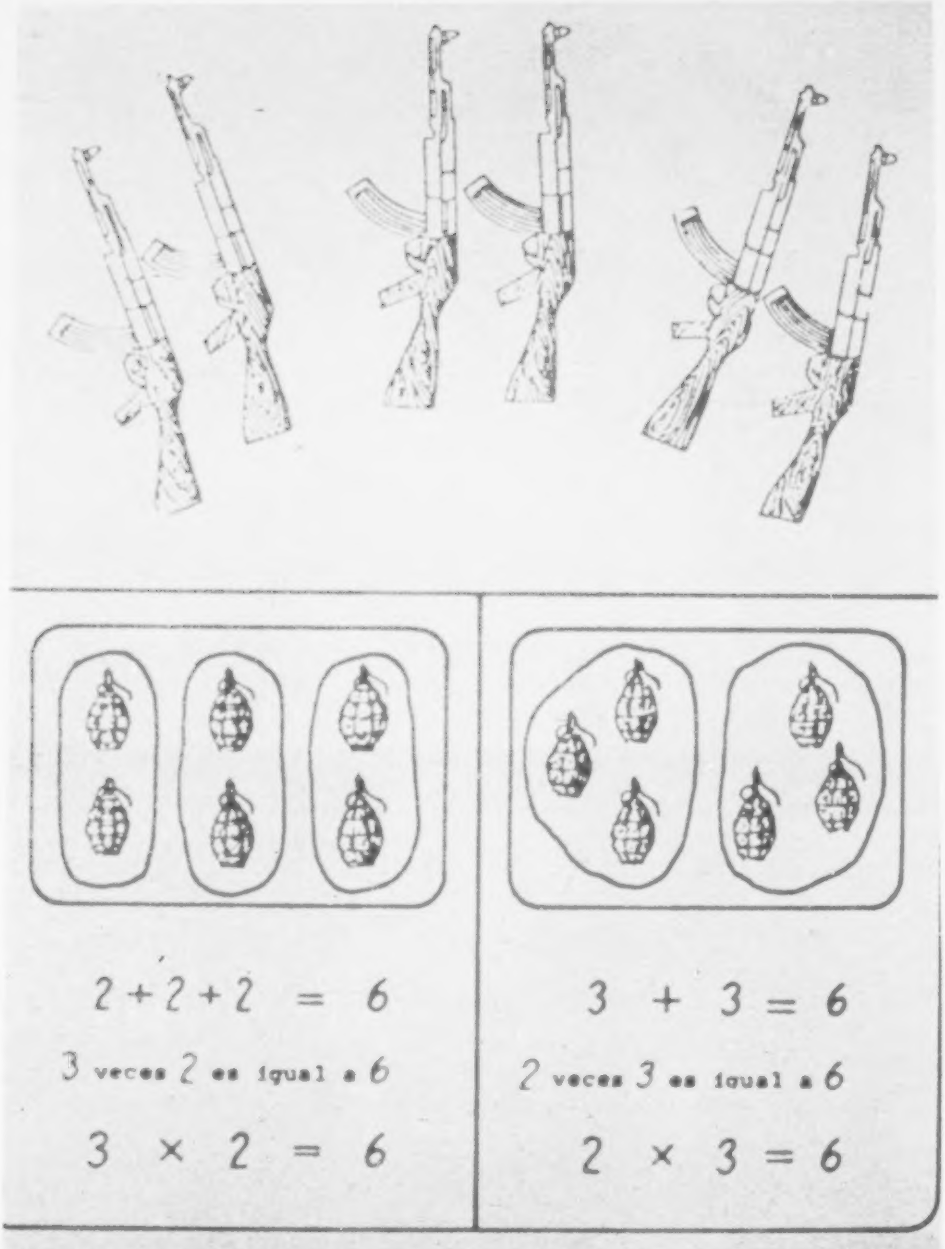
42. and 43. These weapons, collected after the M-19 terrorist attack in which all the justices of the Supreme Court of Colombia were murdered, originated in Nicaragua. The Sandinistas are intent on exporting their revolution—by supporting insurgent, subversive and terrorist movements in the region.


Zona Franca Prison
Sandino Airfield, Nicaragua
Administrative Area
Lights
Wall
Fence
Detention Area
Guard Tower

44. The Sandinistas also insist on enforcing their revolution at home. When Somoza ruled Nicaragua there were two prisons. Today there are eleven—built to Soviet "gulag design" and designed to ensure that the Nicaraguan people who refuse to submit to their Communist rulers are carefully controlled.



45. For those who will not yield there are few choices. This minister, who refused to shut down his church, was bound hand and foot and set afire inside his church.



2 + 2 + 2 = 6

3 veces 2 es igual a 6

3 × 2 = 6

3 + 3 = 6

2 veces 3 es igual a 6

2 × 3 = 6

Grade-school arithmetic books use pictures of Soviet-made AK-47 rifles and hand grenades to teach children to count.

46. Like their Cuban counterparts, school children in Nicaragua are now educated to hate. This is a page from a grade school arithmetic book.

NICARAGUAN REFUGEES
WIDE WORLD PHOTO

47. Hundreds of thousands of those who will not submit have now become refugees. This entire town fled to neighboring Honduras simply so they could go to church.

48. The Moskito, Suma and Rama Indians have been all but wiped out on the Atlantic Coast of Nicaragua. Over 25,000 Indians have fled to neighboring Honduras and Costa Rica.

49. Denied all other recourse, thousands of young men and women have taken up arms and become freedom fighters against the Communists who now rule from Managua.

50. Some freedom fighters, like this 57 year old coffee farmer, have joined the resistance because their families have felt the brunt of Sandinista repression. This man's entire family was murdered by the Sandinistas simply because they gave water to a Contra patrol.

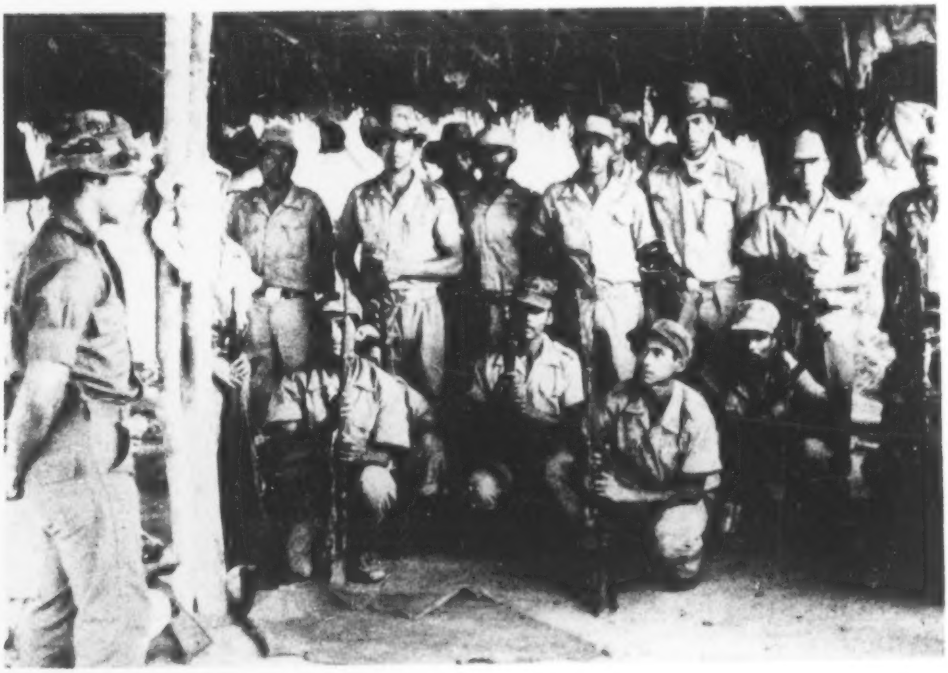
51. Sandinista propaganda would have us believe that the CIA or Ollie North created the Contras. It is not so. The Sandinistas created the Contras by their own repression and denial of basic human freedoms. It is Sandinista repression that fuels the resistance.

52. Supporters of the Sandinista regime also would have Americans believe that those who oppose the Communists in Managua are simply supporters of the old Somoza regime. This is not true. In this photograph, eleven of the seventeen men present once served with the Sandinistas. Adolfo Calero, on the right, was twice jailed by Somoza.

53. and 54. In spite of a vascillating policy of support for the resistance, the ranks of the freedom fighters continue to grow. During the period when no U.S. government funding was available, the private U.S. and foreign supporters provided arms, uniforms, food and medical supplies to keep the resistance from being annihilated.

55. This young fighter would have died without the medical supplies donated by American donors.

56. This hospital tent was all that existed prior to the support offered by private Americans and foreign donors. It didn't even have mosquito netting for these grievously injured freedom fighters.



57. Until U.S. government aid was restored, the fighters were forced to draw their own maps on plastic sheets as they went into combat deep inside Communist-held Nicaragua.

58. Today, U.S. support has been restored. This humble wooden cross marks the grace of a Nicaraguan freedom fighter. If we are to offer these brave people more than a chance to die for the freedoms they believe in, our support must continue.

LEE H. HAMILTON, INDIANA, CHAIRMAN
DANTE B. FASCELL, FLORIDA, VICE CHAIRMAN
THOMAS S. FOLEY, WASHINGTON
PETER W. RODINO, JR., NEW JERSEY
JACK BROOKS, TEXAS
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LES ASPIN, WISCONSIN
EDWARD P. BOLAND, MASSACHUSETTS
ED JENKINS, GEORGIA

JOHN W. NIELDS, JR., CHIEF COUNSEL
W. NEIL EGGLESTON, DEPUTY CHIEF COUNSEL
CASEY MILLER, STAFF DIRECTOR

U.S. HOUSE OF REPRESENTATIVES
SELECT COMMITTEE TO INVESTIGATE
COVERT ARMS TRANSACTIONS WITH IRAN
UNITED STATES CAPITOL
WASHINGTON, DC 20515
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DICK CHENEY, WYOMING
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THOMAS R. SMEETON, MINORITY STAFF DIRECTOR
GEORGE VAN CLEVE, CHIEF MINORITY COUNSEL
RICHARD LEON, DEPUTY CHIEF MINORITY COUNSEL

June 23, 1987

Brendan V. Sullivan, Esquire
Williams & Connolly
Hill Building
839 Seventeenth Street, N.W.
Washington, D. C. 20006

Dear Mr. Sullivan:

The Committees contemplate taking testimony and other evidence from your client, Lt.Col. North. The Committees intend to take that testimony and evidence under the following circumstances:

1. Lt. Col. North's public testimony will commence on July 7, 1987.

2. Lt. Col. North will be interviewed in an executive session hearing on July 1, 1987, on the subject of the involvement and knowledge, if any, of the President regarding the use of funds generated by the sale of arms to the Iranian government to support the Nicaraguan resistance. At the end of the session, a transcript will be made under oath of questions and answers on this issue.

3. The Committees' document subpoenas, after clarification between counsel, will be returnable at 9:00 a.m. on June 30, 1987.

4. The Committees will provide copies to Lt. Col. North of his files in the possession, custody or control of the Committees at 9:00 a.m. on June 30, 1987, consisting of documents and other materials or copies thereof (a) obtained from the offices of Lt. Col. North and his staff, (b) sent to or from him or his staff, and (c) tape recordings of conversations or meetings in which he was a participant. These documents and materials will be provided to Lt. Col. North to the extent and in the manner permitted by law and if the law does not permit copies to be given to Lt. Col. North's counsel, then the Committees will provide access on a substantially continuous basis.

5. The Committees intend to complete Lt. Col. North's testimony by the close of the hearing on July 10, 1987, and do not intend to recall Lt. Col. North for further testimony unless extraordinary developments create a compelling need therefor, and that any such recall would be limited to the matters that necessitated the recall.

These statements of intention are made in good faith and the Committees are aware that in advising Lt. Col. North to proceed in accordance with this letter and to forego possible legal alternatives, counsel for Lt. Col. North are relying upon these stated intentions. Nonetheless, they are intentions, not commitments. Accordingly, although it is not now the intention of the Committees, the scope and nature of Lt. Col. North's testimony could result in his testimony continuing beyond four days and in his later recall, matters on which the Committees are not waiving their power and we understand that you are not waiving any rights.

Sincerely,

Art L. Liman

Arthur L. Liman
Chief Counsel
Senate Select Committee on Secret
Military Assistance to Iran and the
Nicaraguan Opposition

John W. Nields Jr.

John W. Nields, Jr.
Chief Counsel
House Select Committee to
Investigate Covert Arms Transactions
With Iran

George W. Van Cleve
Chief Minority Counsel
House Select Committee to
Investigate Covert Arms Transactions
With Iran

ELECTRONIC MEDIA REPORTING ON THE ACHILLE LAURO INCIDENT

Senator Leahy was interviewed at approximately 7:00 a.m., Friday, October 11, 1985, on the Achille Lauro incident.

The following are descriptions of electronic media reporting the afternoon and evening of Thursday, October 10, 1985 relating to US knowledge of the location of the hijackers at the time Egyptian President Mubarak said they had left Egypt:

ABC TV News

Peter Jennings reports that the White House is questioning Egyptian President Hosni Mubarak's credibility regarding the whereabouts of Palestinian terrorists who hijacked the Achille Lauro.

Barrie Dunsmore discusses a developing major rift between the US and Egypt of the latter's handling of the terrorists. American Ambassador Nicholas Veliotes is shown stating that he believes the hijackers are still in Egypt.

Sam Donaldson reports on US anger at Italy and Egypt, especially over Mubarak's lying.

Peter Jennings, George Will, Sam Donaldson and John McWethy discuss the Administration's belief that Hosni Mubark lied about the hijackers.

CBS TV News

Dan Rather reports that President Hosni Mubarak's claim the terrorists have left Egypt is said to be disputed by US intelligence.

Lesley Stahl discusses the Administration's belief that Mubarak is lying.

NEWSPAPER EXCERPTS ON THE ACHILLE LAURO HIJACKING

The New York Times Friday, October 11, 1985 -- Account of Larry Speakes' news conference on Thursday night October 10.

"What we did is we used every available means at our disposal to find out where the hijackers were when they were on Egyptian soil. We used every means at our disposal to be aware of when the aircraft left Egyptian soil and then we were able to locate the aircraft, pursue it, persuade it to go to the airbase at Sigonella."

The New York Times Friday, October 11, 1985 by Bernard Gwertzman

"Crucial to the mission was knowledge of the exact whereabouts of the four gunmen and when their plane left Egypt. Mr. Speakes said that 'we used every available means at our disposal to be aware of when the aircraft left Egyptian soil and then we were able to locate the aircraft, pursue it, persuade it to go to the airbase at Sigonella.' "

"But Mr. Speakes said the Administration believed that the hijackers were still in Egypt at the time Mr. Mubarek said they had left. Officials said they believed that the gunmen were at an airbase outside Cairo waiting for a flight to either Algeria or Tunisia."

"Senior Administration officials said Thursday that the Administration understood that as of that morning Washington time -- early afternoon in Cairo -- the hijackers were at an Egyptian air base awaiting a flight to an undisclosed destination. They said the Egyptians seemed committed to carrying out their end of the bargain with the hijackers to let them have safe passage out of Egypt in return for surrendering the ship."

The New York Times Friday, October 11, 1985 by Bill Keller

"Mr. Weinberger would not provide details of how the officers aboard the Saratoga knew the Egyptian plane was leaving the Cairo airport, or how they were certain they had the right plane. 'I would say that we had very good intelligence.' "

The Washington Post Friday, October 11, 1985 by Loren Jenkins

"Egyptian President Hosni Mubarak had said Thursday that the four hijackers who had surrendered Wednesday to Egyptian authorities had left Egypt five hours later ... "

"The U.S. government, however, announced late Thursday that the four hijackers were still in Egyptian hands and were at an Egyptian Air Force base outside of Cairo waiting for a plane to take them out of the country."

"Earlier on Thursday, special correspondent Jeffrey Bartholet reported from Cairo: ... Mubarak told reporters Thursday morning that the hijackers had gone and were the responsibility of the PLO, but PLO leader Yasser Arafat said they were 'under the Egyptian authorities' control.' "

"Adding to confusion was a statement Thursday morning by Abdul Rahman Saramawi, the governor of Port Said, that the pirates 'are still in custody, and it remains to be determined whether they will be tried.' "

The New York Times Friday, October 11, 1985 by Judith Miller

"Throughout the day, Egyptian officials clung to this position despite skepticism among diplomats in Egypt and statements from Washington that it was believed that the four were still being held at an airport near Cairo."

"In Washington, a senior Reagan Administration official traveling with President Reagan said the four hijackers had been taken to an air base known as Al Maza, on the outskirts of Cairo, and had been scheduled to leave Egypt about noon Thursday. An Administration official here confirmed this account and said the Reagan administration was 'extremely angry' with Egypt about the affair."

58TH STORY of Level 1 printed in FULL format.

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October 11, 1985, Friday, Final Edition

SECTION: First Section; A1

LENGTH: 1686 words

HEADLINE: U.S. Jets Intercept Hijackers' Plane;
F14s Force Egyptian Aircraft to Land at Italian Base

BYLINE: By Loren Jenkins, Washington Post Foreign Service

DATELINE: ROME, Oct. 11, 1985

KEYWORD: SHIP

BODY:

Four U.S. Navy jet fighters intercepted an Egyptian airliner carrying the four Palestinian hijackers of the Italian cruise ship Achille Lauro in international airspace and forced it to land early Friday morning at a U.S. Navy air base in Sicily.

The plane was surrounded immediately by U.S. and Italian troops, and the four hijackers were taken into custody by the Italians for legal proceedings. In Washington, White House officials said they intended to pursue prompt extradition proceedings.

The office of Italian Prime Minister Bettino Craxi said the four U.S. jets, F14s from the aircraft carrier USS Saratoga, and the Egyptian Boeing 737 landed at the U.S. Navy's Sigonella Air Base at 12:30 a.m. (7:30 p.m. EDT) for a "technical stop." An Italian government statement said that Craxi had agreed to a request from President Reagan that the planes be allowed to land there.

[U.S. Defense Secretary Caspar W. Weinberger, in a briefing at the Pentagon after midnight Washington time, said the four terrorists were in Italian custody, as well as two other Palestinians also found on the airliner who are being investigated by Italian authorities. The Egyptian crew will be permitted to return the airliner to Cairo "at their convenience," the secretary said.

[In providing details of the military operation, Weinberger said that the Saratoga was off the coast of Albania when it received orders at 7 p.m. Rome time (2 p.m. EDT) to prepare for action. All operations throughout the military intercept were carried out in darkness, Weinberger said, and the carrier had to be turned around because it was heading in the wrong direction at the time the order was given.

[The Egyptian airliner left Cairo around 4:15 p.m. EDT and was intercepted just south of Crete by the F14s, which were supported by E2C Hawkeye electronic surveillance planes and other support aircraft. The fighters arrived on the airliner's flight path, where they waited for the quarry and electronically picked it out from other air traffic in the region, Weinberger said.

[No refueling of the fighters was necessary, he said. The airliner had been refused permission to land in Tunis and Athens but apparently was headed toward Tunis when it was intercepted, Weinberger said.

[Other U.S. military sources said the pilot of the Egyptian plane seemed surprised when he was intercepted and offered no resistance. These sources said the airliner initially was difficult to find.]

The capture of the terrorists climaxed a bizarre series of events beginning with the hijacking last Monday of the Italian cruise liner with more than 400 passengers and crew members on board. Before the hijackers gave up, one American had been killed.

The dramatic development in the air over the Eastern Mediterranean Thursday night occurred after the U.S. government had reacted with anger and irritation at Egyptian government plans to allow the four hijackers to leave Egypt for an undisclosed destination without prosecuting them for the hijacking and murder of Leon Klinghoffer, 69, of New York City.

Italy and the United States had demanded that the four hijackers be made available to be put on trial. Italy has insisted that the four should be tried here because the ship they hijacked was an Italian vessel and thus the slaying of Klinghoffer, had occurred on Italian territory, meaning the ship.

Egyptian President Hosni Mubarak had said Thursday that the four hijackers who had surrendered Wednesday to Egyptian authorities had left Egypt five hours later and were the responsibility of the Palestine Liberation Organization, which had negotiated their surrender. The hijackers had said they were members of a faction of the PLO.

The U.S. government, however, announced late Thursday that the four hijackers were still in Egyptian hands and were at an Egyptian Air Force base outside of Cairo waiting for a plane to take them out of the country. Washington demanded that the Egyptian authorities turn the hijackers over to a sovereign nation for prosecution for the death of Klinghoffer, a retired businessman from Manhattan who was confined to a wheelchair after a stroke.

Reports here originally said that the Egyptian plane had filed a flight plan for Algeria, then changed it in midair and asked for permission to land in the Tunisian capital of Tunis, where the PLO has its headquarters.

When Italy believed the four were in PLO custody Thursday evening, it ordered the Foreign Ministry to enter into negotiations with the PLO to have the four hijackers brought here for trial.

Earlier on Thursday, special correspondent Jeffrey Bartholet reported from Cairo:

President Mubarak and other Egyptian officials had insisted throughout the day that the four hijackers had left Egypt within hours after surrendering on Wednesday. The Egyptians had defended their handling of the affair in the face of criticism from the United States.

Mubarak told reporters Thursday morning that the hijackers had gone and were the responsibility of the PLO, but PLO leader Yasser Arafat said they were "under the Egyptian authorities' control."

"They left the country, I don't know where they went," Mubarak said. Then in answer to a question, he added, "maybe Tunisia," where the PLO has its headquarters.

At a press conference later, Foreign Minister Esmat Abdel-Meguid told reporters, "They left Egypt. I know where they are, but I'm not going to tell you.

The Achille Lauro remained at Port Said, on Egypt's Mediterranean coast, and several of the more than 400 freed hostages, including about a dozen Americans, left the ship to return home. Among them was Marilyn Klinghoffer, whose husband had been killed by the hijackers on Tuesday and, according to accounts from the ship Thursday, was pushed overboard with his wheelchair.

Showing clear sensitivity to the harsh criticism from the United States for their supposed release of hijackers who had killed an American hostage, Mubarak and Abdel-Meguid insisted that at the time the agreement negotiated by the PLO was approved Wednesday, they were unaware of Klinghoffer's death.

Mubarak said that "if the captain had told us that a passenger had been killed, we would have changed our position toward the whole operation. But when this emerged, we already had sent the hijackers out of the country."

Later, Mubarak questioned whether Klinghoffer had actually been killed. There is no body and no proof he had been murdered," he said, according to Egypt's official Middle East News Agency. "Maybe the man was in hiding or did not board the ship at all."

Abdel-Meguid complained to reporters Thursday night, "I don't like the insinuations in the United States now. This is very unfair. . . . I cannot accept any insinuations and I reject them totally. We believe we have done our duty."

Abdel-Meguid pointed out that in the negotiations for the release of the American hostages in the hijacking of a Trans World Airlines plane last June, the hijackers were allowed to go free, although they had killed an American hostage, and Israel later gave in to their demands to release Shiite Moslem prisoners it was holding.

"Thanks were given to Syria for their help," he said. "Let's be serious. This matter should be put in its proper perspective."

Egyptian officials, however, offered incomplete and seemingly contradictory information throughout Thursday about the release of the hijackers.

Early in the day, Mubarak said the hijackers had left the country within five hours of their surrender, which took place at 4:30 p.m. Wednesday, and said they were "now the responsibility of the PLO."

But all day, the PLO denied having possession of them, fueling speculation and rumors about their whereabouts and about what sort of deal had been made to secure the release of the more than 400 passengers and crew who had been held hostage on board the luxury liner since Monday.

Asked Thursday night at what time the hijackers had left, Abdel-Meguid refused to say. "I'm not keeping a chronometer watch," he answered, and then said later, "They will soon be in the hands of Mr. Arafat."

Adding to confusion was a statement Thursday morning by Abdul Rahman Saramawi, the governor of Port Said, that the pirates "are still in custody, and it remains to be determined whether they will be tried."

Abdel-Meguid said the Egyptians had decided to negotiate with the terrorists reluctantly.

At 10 p.m. Tuesday, he said, when he heard that the liner, which had been barred from landing at Syria, was returning to Egypt, he said he awakened the ambassadors of Italy, France, Britain and West Germany, and asked them what they wanted to do.

They replied that they would get in touch with their capitals, and get back with a decision.

He said that he told the ambassadors, "We are not interested in dealing with this group, and might ask the ship to get out."

Maguid added that the ship never entered Egyptian territorial waters, but remained 16 miles north of Port Said.

The following morning -- Wednesday -- Egyptians began contact with the terrorists, at the request of some western nations, so as not to be caught off guard, Abdel-Meguid said.

At the 1:30 p.m. meeting with the four ambassadors, he said, he asked them to sign a statement that "strongly urged" Egypt to use "our efforts to seek the release of the ship." But only two -- those from Italy and West Germany -- signed it.

Abdel-Meguid said he told the ambassadors that Egypt negotiated only at the urging of concerned nations who had citizens on board. "I said we could make the ship go away -- that would have been the easiest," he said.

At some point Wednesday afternoon, Abdel-Meguid said, six helicopters began flying over the hijacked liner, and the terrorists threatened to blow it up.

He said the Americans denied they were U.S. helicopters so Egypt contacted Israel. He said nothing of the Israeli response.

Abdel-Meguid said Egypt's primary goal was to "save the lives of the passengers." He said that if Egypt had known about the death of Klinghoffer, "We would never, never have pursued the operation."

PATRICK J. LEAHY
VERMONT

COMMITTEES
AGRICULTURE, NUTRITION AND FORESTRY
CHAIRMAN
APPROPRIATIONS
JUDICIARY

United States Senate
Washington, DC 20510

July 9, 1987

The Honorable Daniel K. Inouye
Chairman
Senate Select Committee on Secret Military
Assistance to Iran and the Nicaraguan Opposition

Dear Dan:

I understand that in the hearing before your Committee today, it was alleged that a member of the Senate Intelligence Committee inadvertently revealed classified information in a television interview relating to the Achille Lauro hijacking. While my name was not specifically mentioned, I believe the allegation refers to me.

In the interview which was apparently alluded to, I carefully refrained from making any comment that went beyond statements by senior officials of the Administration that were being reported in the national media through the night. I am including excerpts from some articles which appeared in the press the morning of my interview and which I read before appearing on the news program. It should be very clear from these articles that I did not reveal any sensitive information, and it does a serious disservice to US intelligence and to congressional oversight to claim that I did.

I trust this letter and its attachments demonstrate the falsity of this allegation.

With best regards.

Sincerely,

Pat

PATRICK LEAHY
United States Senator

DANIEL K. INOUYE
HAWAII

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WASHINGTON, DC 20510
(202) 224-3934

July 10, 1987

The Honorable Patrick Leahy
United States Senate
Washington, D. C.

Dear Pat:

Thank you for your letter regarding the reference made yesterday during the Iran/Contra Committee hearings to a member of the Senate Intelligence Committee revealing classified information to the press.

I have reviewed the transcript of the news program during which you were alleged to have revealed sensitive information. I have also examined the newspaper articles you enclosed from the press the morning of the news program. I certainly share your belief that the remarks you made did not go beyond statements made by Administration officials as reported in the national media. I, therefore, feel the allegations made during yesterday's hearings were unsubstantiated and inappropriate.

I regret that aspersions were apparently cast in your direction during our hearings yesterday. I certainly disassociate myself with these allegations.

Aloha,

Dan

DANIEL K. INOUYE
United States Senator

DKI:bhm

TRICK J. LEAHY
VERMONT

COMMITTEES
AGRICULTURE, NUTRITION AND FORESTRY
CHAIRMAN
APPROPRIATIONS
JUDICIARY

United States Senate
Washington, DC 20510

August 3, 1987

Senator Howell Heflin
Chairman
Senator Warren Rudman
Vice Chairman
Senate Select Committee on Ethics

Dear Howell and Warren:

Recently, I have been the subject of allegations in the press to the effect that an FBI investigation has identified me as the source of an unnamed leak of classified information based on examination of "visitors" logs, and that such information has been made available to the Ethics Committee.

I request that you inform me if the Ethics Committee is investigating me in connection with any alleged leak of classified information, or has information in its possession which identifies me as the source of any leak of classified information.

Thank you for your prompt attention to this request.

Sincerely,

PATRICK LEAHY
United States Senator

PJL/jhs

PATRICK J. LEAHY
VERMONT

COMMITTEES:
AGRICULTURE, NUTRITION AND FORESTRY
CHAIRMAN
APPROPRIATIONS
JUDICIARY

United States Senate
Washington, DC 20510

August 4, 1987

The Honorable Daniel K. Inouye
Chairman
Senate Select Committee on Secret Military
Assistance to Iran and the Nicaraguan Opposition

Dear Dan:

As you know, members of the Iran/Contra committees have raised allegations that I revealed classified information relating to the Achille Lauro hijacking incident and that the FBI had traced a leak of classified information to me and turned over the evidence to the Ethics Committee.

I respectfully request that an exchange of letters between you and me on the Achille Lauro allegation, and an exchange of letters between the Chairman and Vice Chairman of the Ethics Committee on the second allegation be included in the Record of your Committee's deliberations.

With best regards.

Sincerely,

PATRICK LEAHY
United States Senator

enclosures

PJL/edn

HOWELL HEFLIN, ALABAMA, CHAIRMAN
WARREN B. RUDMAN, NEW HAMPSHIRE, VICE CHAIRMAN
DAVID PRYOR, ARKANSAS
TERRY SANFORD, NORTH CAROLINA
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SELECT COMMITTEE ON ETHICS
HART SENATE OFFICE BUILDING, ROOM 220
SECOND AND CONSTITUTION AVENUE, NE.
WASHINGTON, DC 20510-6425
TELEPHONE 224-2981

August 4, 1987

The Honorable Patrick H. Leahy
United States Senate
Washington, D.C. 20510

Dear Senator Leahy:

The Committee has received your letter of August 3, 1987 concerning statements which first appeared in the Washington Times on July 29, 1987 indicating that the Federal Bureau of Investigation had traced leaks of classified material to the Senate Intelligence Committee and had provided that information to the Ethics Committee.

The Committee has received no information such as that described in the Washington Times article indicating that you or any Member of the Senate has leaked classified material. Further, we have been advised by the Bureau that they have no such information.

With best wishes,

Cordially,

Howell Heflin
Howell Heflin
Chairman

Warren B. Rudman
Warren B. Rudman
Vice Chairman

APPENDIX C: PREPARED STATEMENT

OPENING STATEMENT

My name is Oliver North, Lieutenant Colonel, United States Marine Corps. My best friend is my wife, Betsy North, to whom I have been married for 19 years. I have four wonderful children, aged 18, 16, 11, and 6.

RONALD REAGAN

I came to the NSC five and one-half years ago to work in the administration of a great President. As a staff member, I came to understand his goals and his desires. I admired his policies, his strength and his ability to bring the country together.

I observed the President as a leader who cared deeply about people and who believed that the interests of our country were advanced by recognizing that this is a dangerous world -- and acting accordingly. He tried, and in my opinion succeeded, in advancing the cause of world peace by strengthening our country, by acting to restore and sustain democracy throughout the world, and by having the courage to take decisive action when needed.

We must guard against a rather perverse side of American life, the tendency to launch vicious attacks and criticisms against our highest elected officials. President Reagan has made enormous contributions. He deserves our respect and our admiration.

NSC LEADERSHIP

The NSC is in essence the President's staff which helps to formulate and coordinate national security policy. Some on this committee apparently think that the NSC contained at least one loose cannon and was devoid of experienced leadership. You are wrong on both counts. While at the NSC, I worked most closely with three people: Bud McFarlane, Admiral John Poindexter and CIA Director William Casey. Bud McFarlane is a man who devoted nearly 30 years of his life to public service in many responsible positions. At the NSC he worked long hours, made great contributions, and I admired him for these efforts. Admiral Poindexter is a distinguished Naval officer who served in many important positions of responsibility. He, too, was a tireless worker with a similar record of public service. William Casey was a renowned lawyer, war veteran of heroic proportions, and a former Chairman of the SEC. I understood that he was also a close personal friend and advisor to the President. There is nearly a century of combined public service by these men.

NORTH AS A MEMBER OF THE NSC STAFF

As a member of the NSC staff, I knew that I held a position of significant responsibility -- but I knew full well what my position was. I did not engage in fantasy, as some suggest, that I was the President or the Vice President or a Cabinet member or the head of the NSC. I was simply a staff member with a demonstrated ability to get the job done. Over time, I was made responsible for managing a number of complex and sensitive covert operations. I reported directly to Mr. McFarlane and to Admiral Poindexter. I coordinated directly with others -- including Director Casey. My authority to act always flowed from my superiors. My military training inculcated in me a strong belief in the chain of command. Insofar as I can recall, I always acted on major matters with specific approval after fully informing my superiors of the facts, the risks and the potential ramifications. I readily admit that I was action oriented. I readily admit that I took pride in the fact that I was counted on as a man who could get the job done. I don't mean this by way of any criticism at all, but when my superiors were confronted with accomplishing goals or addressing some difficult problem, I would frequently hear directly or implicitly the words: "Fix it, Ollie" or "take care of it, Ollie."

NORTH'S AREA OF RESPONSIBILITY

Since graduating from the Naval Academy in 1968, I have strived to be the best Marine officer that one can be. In combat my goal always was to understand the objective, follow orders, accomplish the mission, and to keep the men who served under me alive. One of the few good things to come out of the last six months of instant worldwide notoriety has been the renewed contact I've had with some of the finest people in the world -- those I served with in Vietnam. Among the forty thousand or so letters of support that have arrived since I left the NSC, are many from the men who recount horrors we lived through and who now relate stories about their families and careers.

After Vietnam, my goal was simply to work with my fellow officers, to train good Marines, and to be ready, in case we were called upon anywhere in the world. But at the same time to hope that we never were. Any soldier who has seen war, lives with the fervent hope that he never sees it again.

My Marine Corps career was untracked unexpectedly in 1981 when I was reluctantly pushed into becoming a staff member at the NSC. Uneasy at the beginning, I did come to believe that it was important work and as the years passed and as the responsibilities grew, I got further away from that which I loved -- the Marine Corps.

SPECIFIC RESPONSIBILITIES

During 1984-5-6, I generally worked two days in every day. My guess is that the average work day lasted more than fourteen hours. The travel schedule was brutal. The need to respond to various crises was frequent and it was not uncommon to miss an entire night's sleep with the hope that I would catch up the next night or the night after that. If I had to estimate the number of meetings, discussions, and telephone calls over that five years, it would certainly be in the tens of thousands. My only real regret is that I virtually abandoned my family for work during those years. Among the things I worked on or contributed to were the following:

1. A highly classified and compartmented national security project which is not a part of this inquiry.
2. Our politico-military strategy for restoring and sustaining democracy in Central and Latin America -- particularly in El Salvador.
3. Seeking to achieve a democratic outcome in Nicaragua and keeping the Contras together -- both body and soul.
4. Attempts to open a new relationship with Iran and efforts to free hostages.
5. The development of a concerted policy regarding terrorists and a capability for dealing with their treachery.
6. Various crises such as the TWA 847 hijacking, the capture of the Achille Lauro terrorists, the rescue of American students in Grenada and the restoration of democracy on this small island, and the U.S. raid on Libya as a protective response to terrorist attacks.

7. And, as some of you may admit, there were efforts to work with Congress on various legislative programs.

There were many problems. We worked as hard as we could to solve them. Sometimes we succeeded and sometimes we failed, but at least we tried -- and I want to tell you that I for one will never regret having tried.

THE COMMITTEES' INVESTIGATION OF THE EXECUTIVE BRANCH

This is a strange process you are putting me and others through. Apparently the President has not asserted his prerogatives and you have been permitted to make the rules. You call before you the officials of the Executive Branch. You put them under oath for what must be collectively thousands of hours of testimony. You dissect their testimony to find inconsistencies. You declare some to be truthful and others liars. You make the rulings as to what is proper and what is not proper. You put on the testimony which you think is helpful to your goals and leave the rest out. It is sort of like a baseball game in which you are both the player and the umpire. It's a game in which you call the balls, and the strikes, and where you determine who is out, or who is safe. And, in the end you determine the score and declare yourself the winner. From where I sit, it is not the fairest process.

One thing is for sure -- you will never investigate yourself in this matter. There is not much chance that you will conclude at the end of these hearings that the Boland Amendments and your frequent policy changes were unwise, or that your restrictions should not have been imposed on the Executive Branch. You are not likely to conclude that the Administration acted properly by trying to sustain the freedom fighters in Nicaragua when you abandoned them and you are not likely to conclude by commending the President of the United States who tried valiantly to recover our hostages and achieve an opening with strategically located Iran.

I would not be frank with you if I did not admit that the last several months have been difficult for me and my family. It is difficult to be on the front page of the major newspapers day after day and to be the lead story on the national news day after day. It is difficult to be photographed thousands of times by bands of photographers who have followed me around since November and to see your wife [and six year old daughter] pictured on the front page just because her name arose in the hearings. It is difficult to be caught in the middle of a constitutional struggle between the Executive and Legislative Branches over who is to formulate and direct the foreign policy of this nation. It is difficult to be vilified by members of this Committee, some of whom have proclaimed that I am guilty of criminal conduct before they even hear me. Others have said I would not tell the truth when called to testify, and at least one member asked a witness whether the witness would believe me under oath. If you don't think I'll tell the truth, why call me at all? It has been difficult to see questions raised about my character, my morality and my honesty because you choose to provide distorted snippets of evidence. This Committee's insensitivity is most dramatically illustrated by putting my home address on a large chart for the world to see at a time when my family and I are under twenty-four hour armed guard by over a dozen government agents because of fear that terrorists will seek revenge for my official acts and carry out announced intentions to kill me. It is also difficult to comprehend that my work at the NSC -- all of which was approved and carried out in the best interests of our country -- has led to two massive parallel investigations staffed by more than two hundred people. It is mind-boggling to me that one of those investigations is criminal and that you have attempted to criminalize policy differences between co-equal branches of government and the Executive's conduct of foreign affairs.

ASSESSMENT OF BLAME

It is inevitable that the Congress will, in the end, blame the Executive Branch. But I suggest to you that it is the Congress which must accept the blame in the Nicaraguan freedom-fighter matter. Plain and simple, you are to blame because of the fickle, vacillating, unpredictable, on-again, off-again policy toward the Nicaraguan democratic resistance -- the Contras. You can't treat the support of the Nicaraguan freedom fighters as you do the passage of a budget. I suppose if the budget does not get passed on time again this year, you can always get another month or two extension. Unfortunately, the Contras are Nicaraguan people; living, breathing young men and women, who have had to suffer a desperate struggle for liberty with sporadic, confusing support from the United States. Armies need consistent help. They need a consistent flow of money, arms, food, clothing and medical supplies. The Congress of the United States encouraged the freedom fighters to do battle and then abandoned them. The Congress of the United States left soldiers in the field unsupported and vulnerable to their Communist enemies. When the Executive Branch did everything possible within the law to prevent them from being wiped out by Moscow's surrogates, you then have this investigation to blame the problem on the Executive Branch. It doesn't make sense to me. Who will investigate the Congress?

DAMAGE FROM THE HEARINGS

These hearings have caused serious damage to our national interests. Our adversaries laugh at us -- and our friends recoil in horror. I suppose it would be one thing if the intelligence committees wanted to hold these very same hearings in private and thereafter to pass laws which in the view of the Congress make for better policies and better functioning of government. But to hold them publicly for the world to see strikes me as very harmful. Not only does it embarrass our friends and allies who have helped us in various programs but it must make them wary of ever helping us again. The hearings have also revealed matters of great secrecy in the operation of our government, and "sources and methods" of intelligence activities have clearly been revealed to the detriment of our national security.

THE VILIFICATION OF OLIVER NORTH

As a result of rumor, speculation, and innuendo, I have been accused of almost every crime imaginable. Wild rumors abound. Some media reports suggest that I was guilty of espionage for the way I handled various U.S. intelligence; some say I was guilty of treason and suggested -- in front of my 11 year old daughter -- that I should be given the death penalty; some say I stole 10 million dollars; some say I was second only in power to the President of the United States; some say I condoned drug trafficking to generate funds for the Contras; others suggest that I personally ordered assassinations; or that I was conducting my own foreign policy; and it has been suggested that I was the secret confidante of the President. These and many other reports are patently untrue. Some have suggested that I got rich while at the NSC, that I live on a large Virginia horse farm in a splendid home. Not true. My family has lived quite modestly. Like most Americans, I live within my means, I even manage to save some money. I'm not saying it's easy. And as for my home, I invite the two Chairmen -- not the staff, not its lawyers -- to come to my home tonight, visit with me -- sit down and have a Coors -- look around. And then tell the American people tomorrow morning if you think my lifestyle is beyond my means.

I am going to tell you the truth. Some of it will not be pleasant. But it will be the truth! There will undoubtedly be some who believe me and some who won't want to.

I will tell you this. I am not going to sit here for days without fighting back. I don't mind telling you that I'm angry at what you have attempted to do to me and my family. You may strike some blows. But you will not wound me. I am going to walk out of here with my head up and my shoulders straight because I am proud of our accomplishments. I am proud of the efforts we made. I am proud of the fight we fought. I am proud of serving in the Administration of President Reagan.

I am not ashamed of anything in my professional or personal conduct and as we go through this process, I ask you to keep an open mind. Be open minded and able to admit that your preliminary conclusions about me were wrong.

Do not mistake my attitude here today for lack of respect. I stand in awe of this great institution just as I stand in awe of the Presidency. Both are equal branches of Government with separate areas of responsibility. Although I don't agree with what you are doing or the way you are doing it, I do understand your interest in obtaining the facts.

I am now prepared to answer your questions.